



Indiana Family & Social Services Administration

FY12-13 Biennium Budget

- Budget Committee Presentation
- December 1, 2010





Division of Aging (DA)

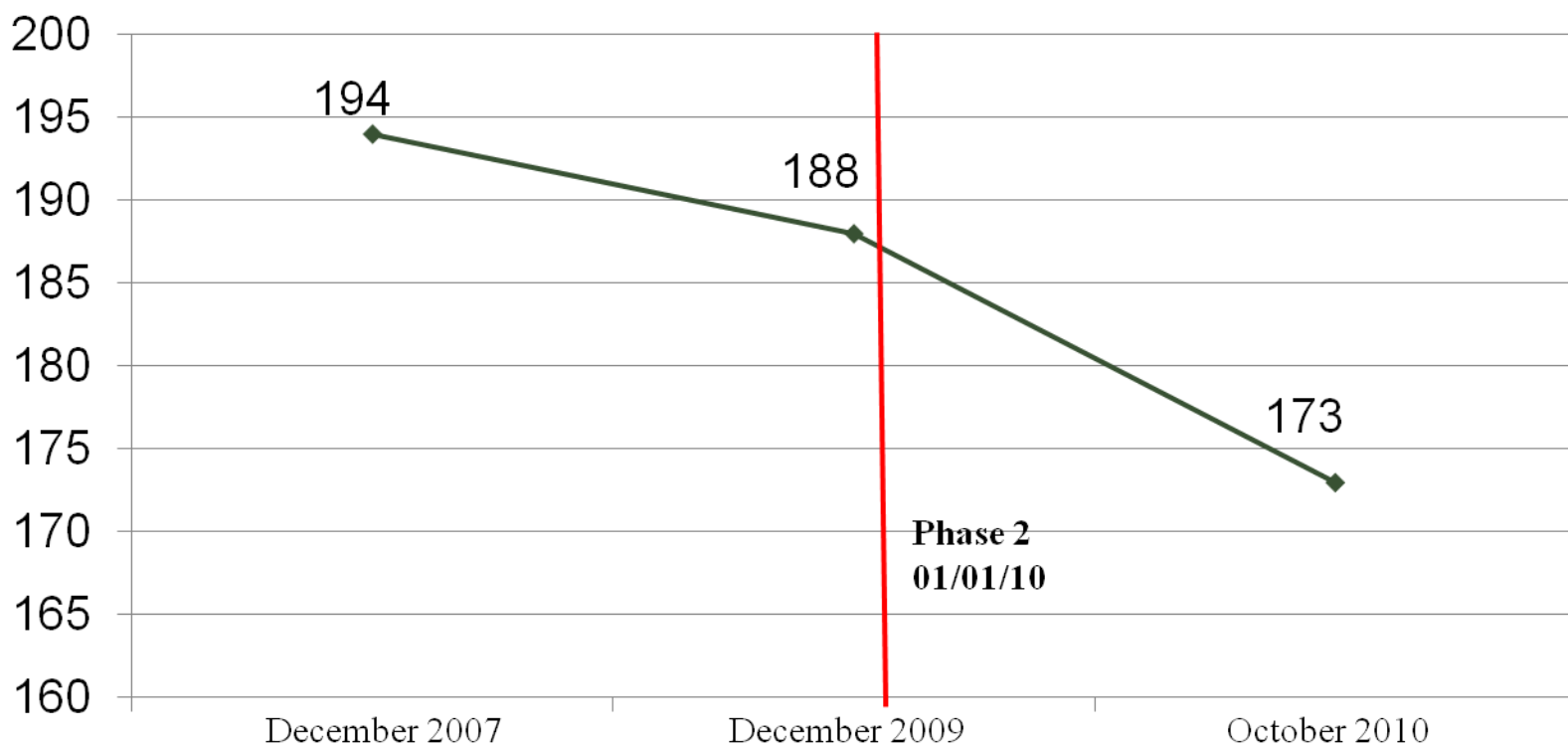


DA- Accomplishments

- Increased number and percent of long term care (LTC) clients receiving Home and Community Based Services (HCBS); peak number approximately 24,000 clients which is approximately 26% of LTC recipients.
- Implemented the Money Follows the Person program statewide; it is expected that approximately 750 successful transitions will occur by June 30, 2011.
- Indiana was the first state in the nation to implement the Aged and Disabled Resource Center (ADRC) model statewide, utilizing the 16 Area Agencies on Aging. The ADRC created a single, coordinated system of information and access for seniors and adults with physical disabilities seeking long-term care by minimizing confusion, enhancing individual choice, and supporting informed decision making.
- On January 1, 2010 the revised nursing facility reimbursement methodology (Phase II), became effective. This methodology change added Indiana to the list of only eight other states that were reimbursing nursing facilities based on quality performance. In addition, this reduced nursing facility expenditures by approximately \$11 million – which was used for HCBS.

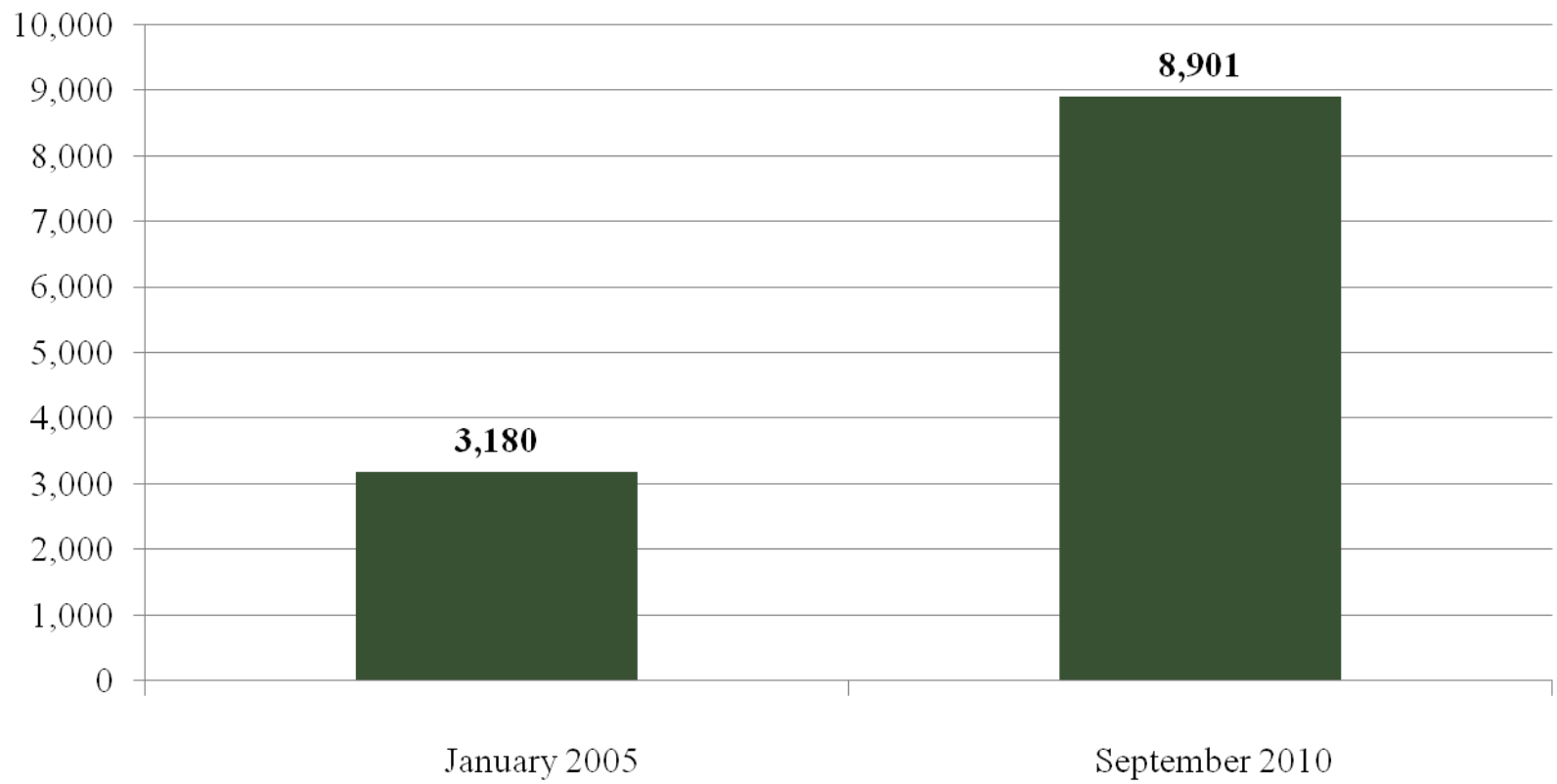


Average Nursing Facility Report Card Score



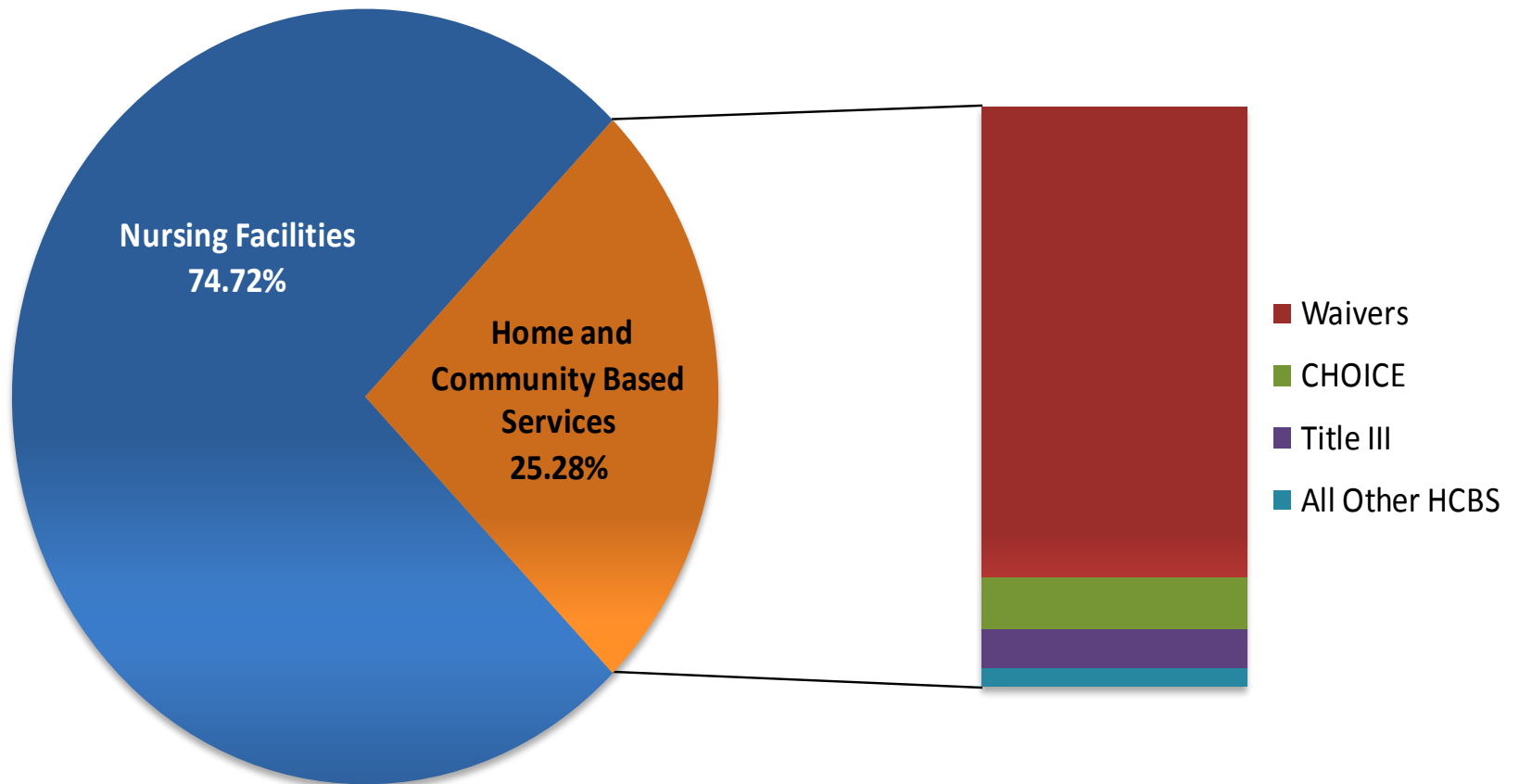


DA – Medicaid Waiver Clients



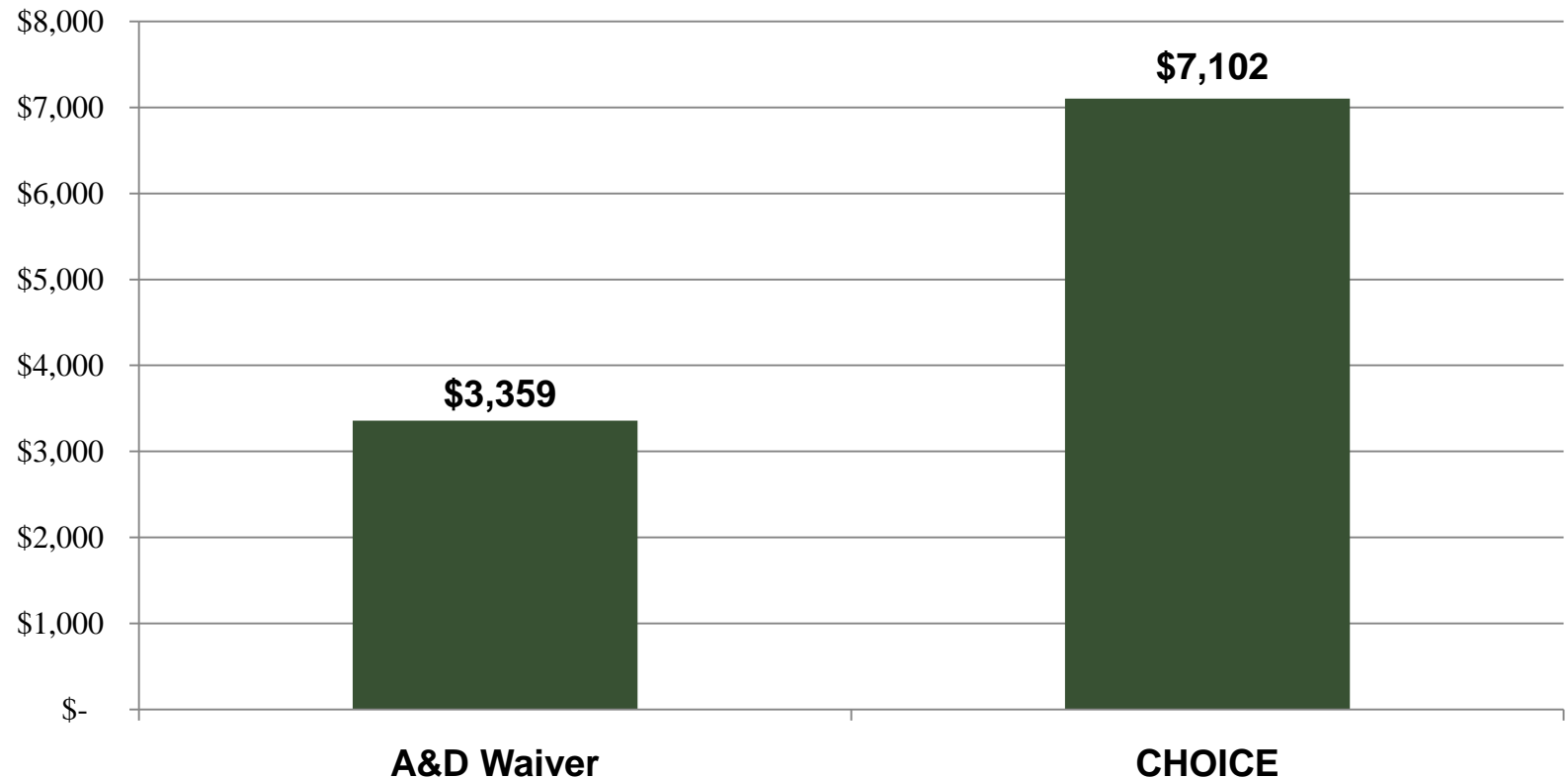


SFY 2010 Allocation of NF and HCBS Funding





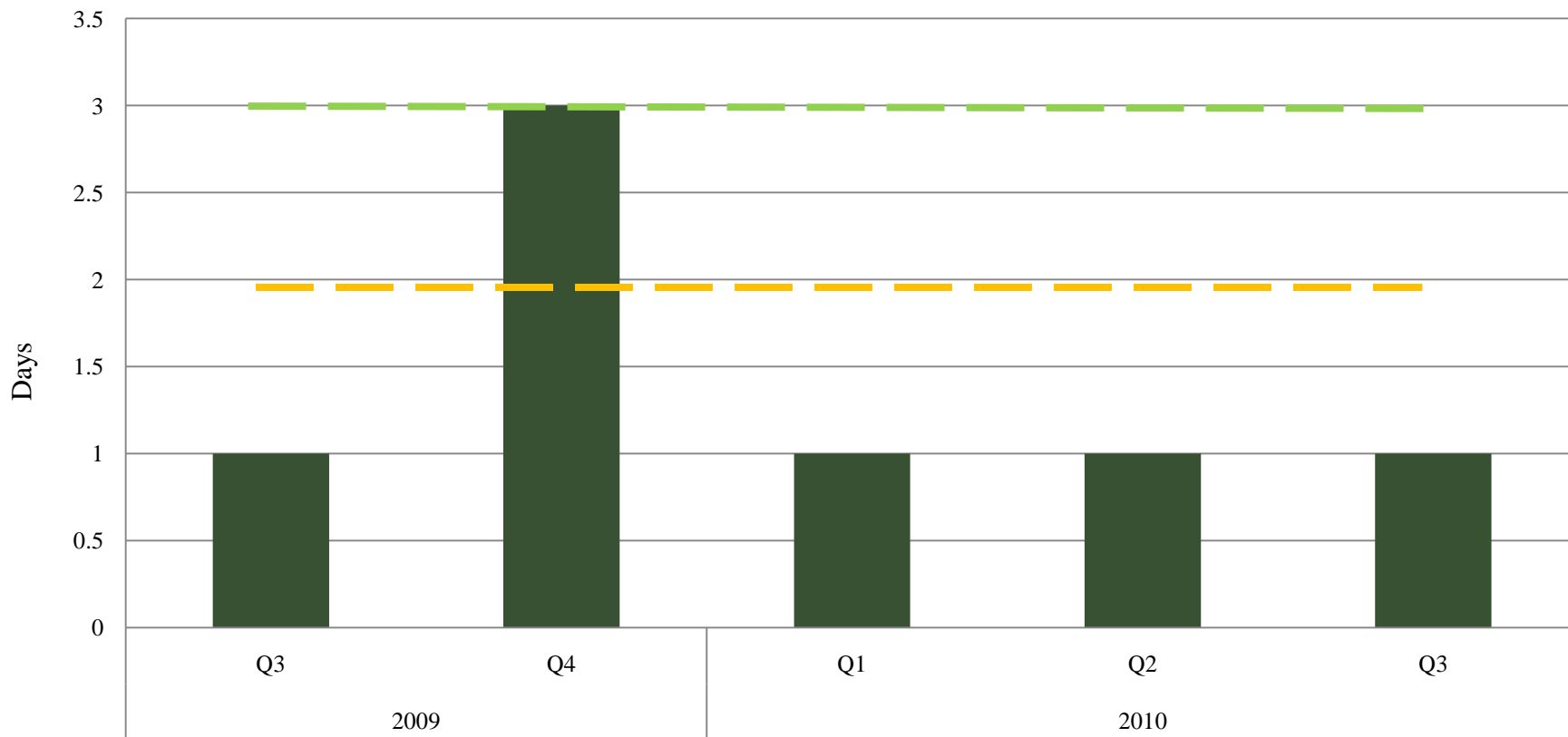
Fy10 Average state cost per client





DA – Performance Metrics

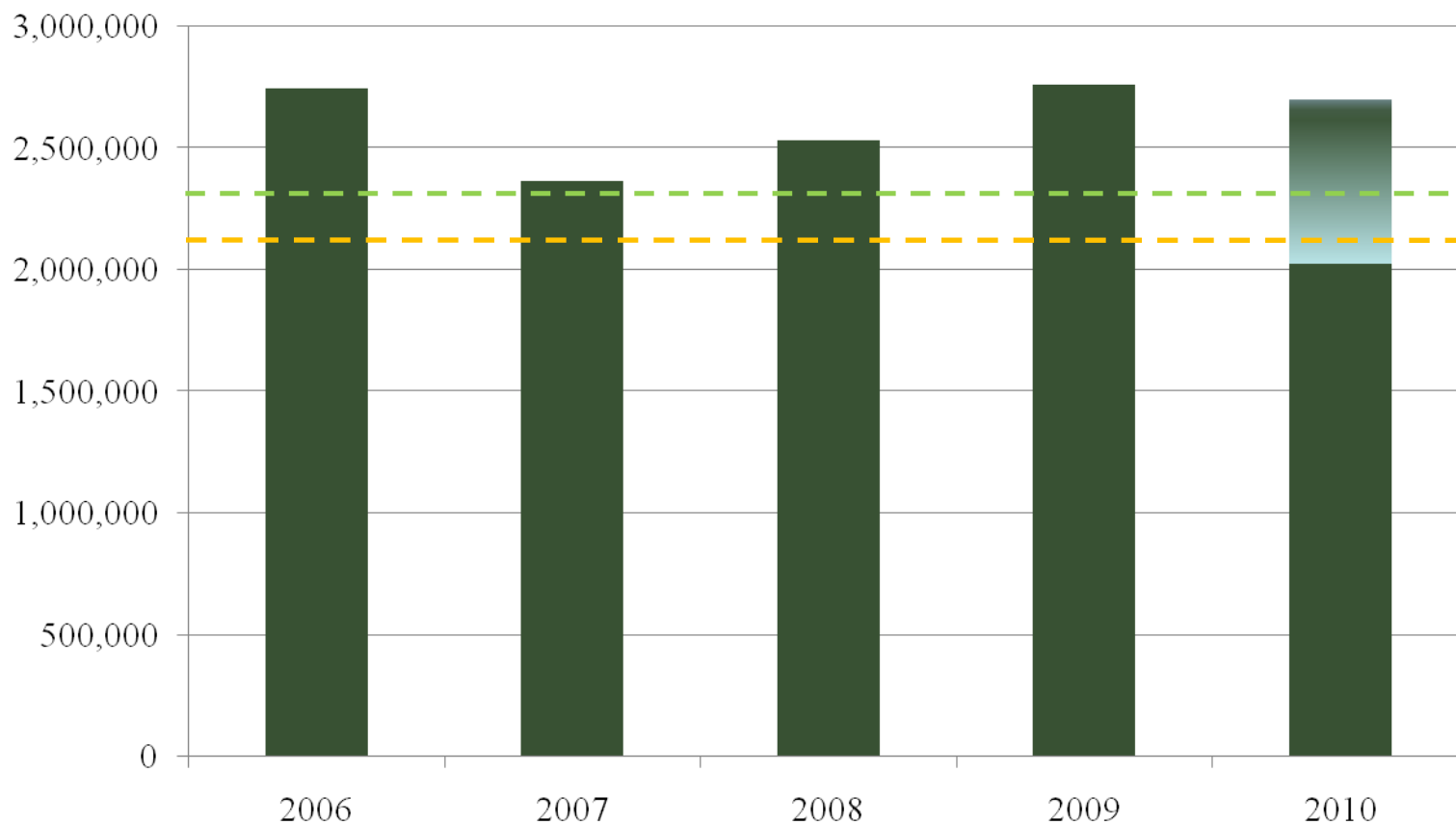
Adult Protective Services Time between event and report to APS





DA – Performance metrics

Home and Community Based Services Number of Meals Served





Division of Disability and Rehabilitative Services (DDRS)

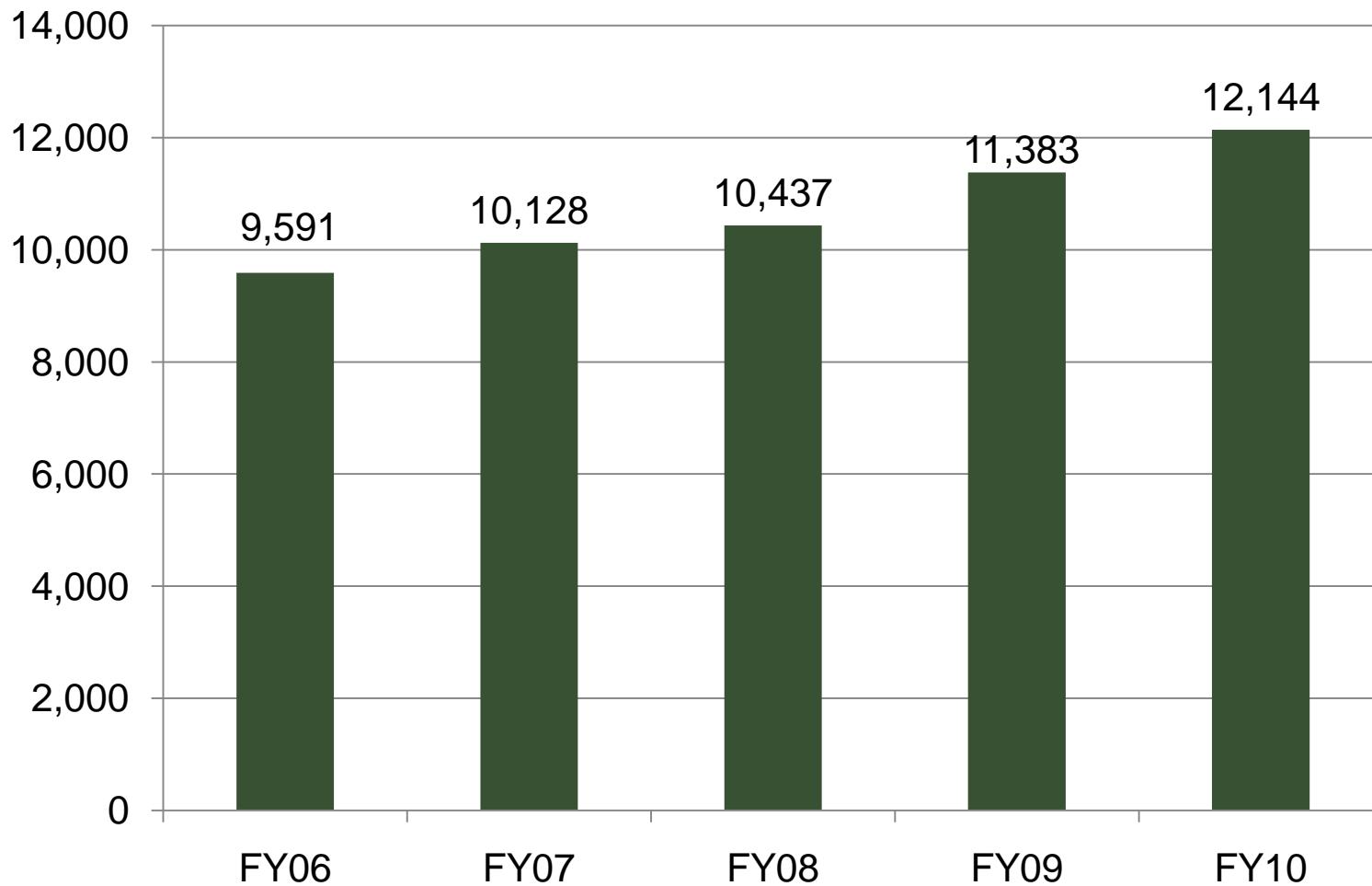


DDRS- Accomplishments

- More clients being served in Home and Community Based Services Waivers than ever before in State's history.
- Completed the office co-location project with Vocational Rehabilitation (VR) achieving significant improvement in access for consumers and savings of \$900,000.
- The last state operated ICF/MR is scheduled to close April, 2011. Approximately 150-200 people will be transitioned into less restrictive community settings.
- While maintaining the health and welfare of our recipients, DDRS reduced contracts by more than \$18 million, of which \$9.0 million is savings to the State.
- Successfully transitioned the Medicaid Infrastructure Grant from the Office of Medicaid Policy and Planning to VR and received increased funding of \$693,000 based on performance.
- Indiana's Disability Determination Bureau (DDB) continued to be among the leaders in productivity nationally with the fastest application processing times and highest accuracy rates in the Chicago Region.
- VR received national recognition from the Health Resources and Services Administration for its efforts as part of their Traumatic Brain Injury grant.

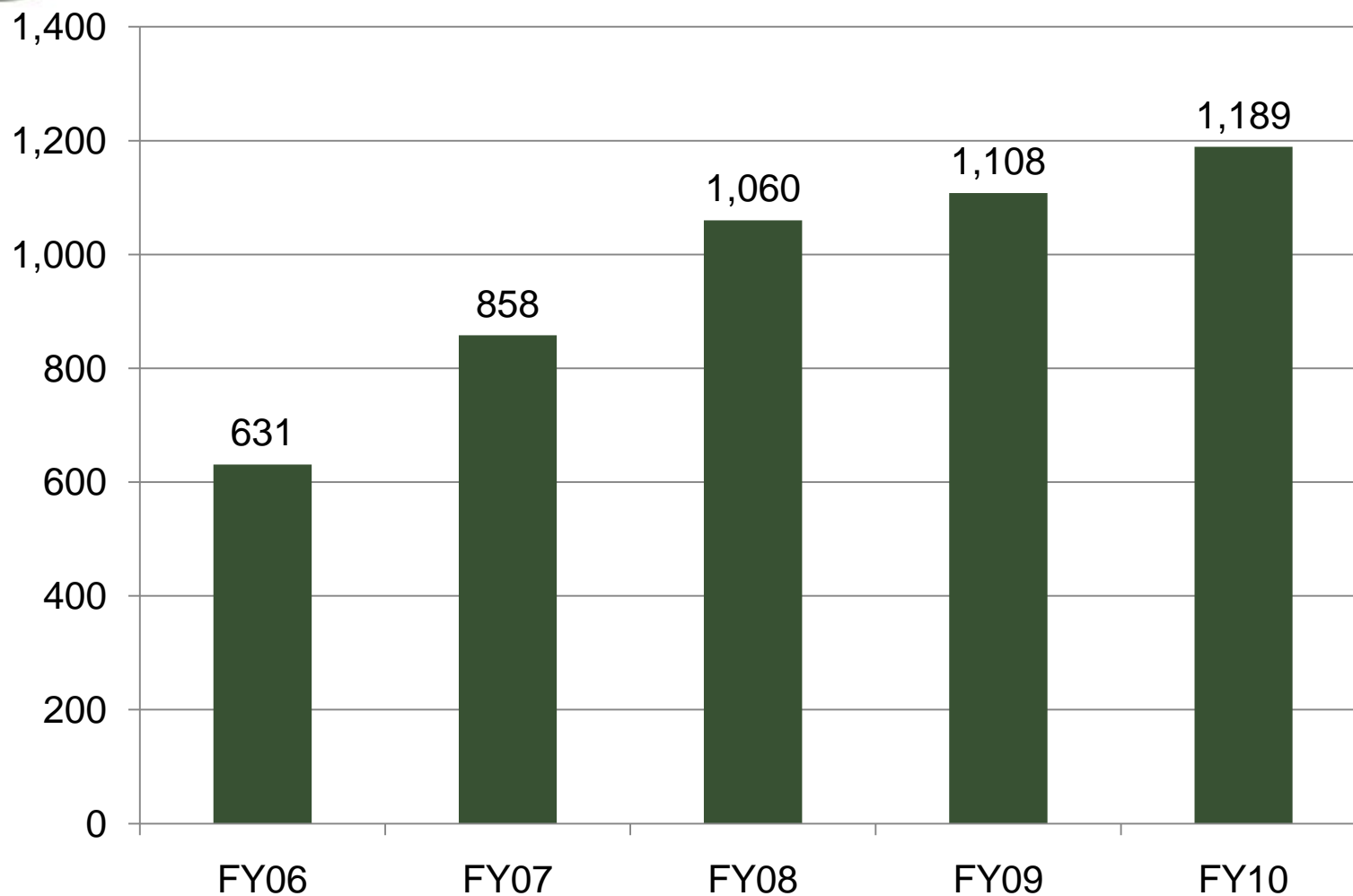


Waiver counts: Total participants



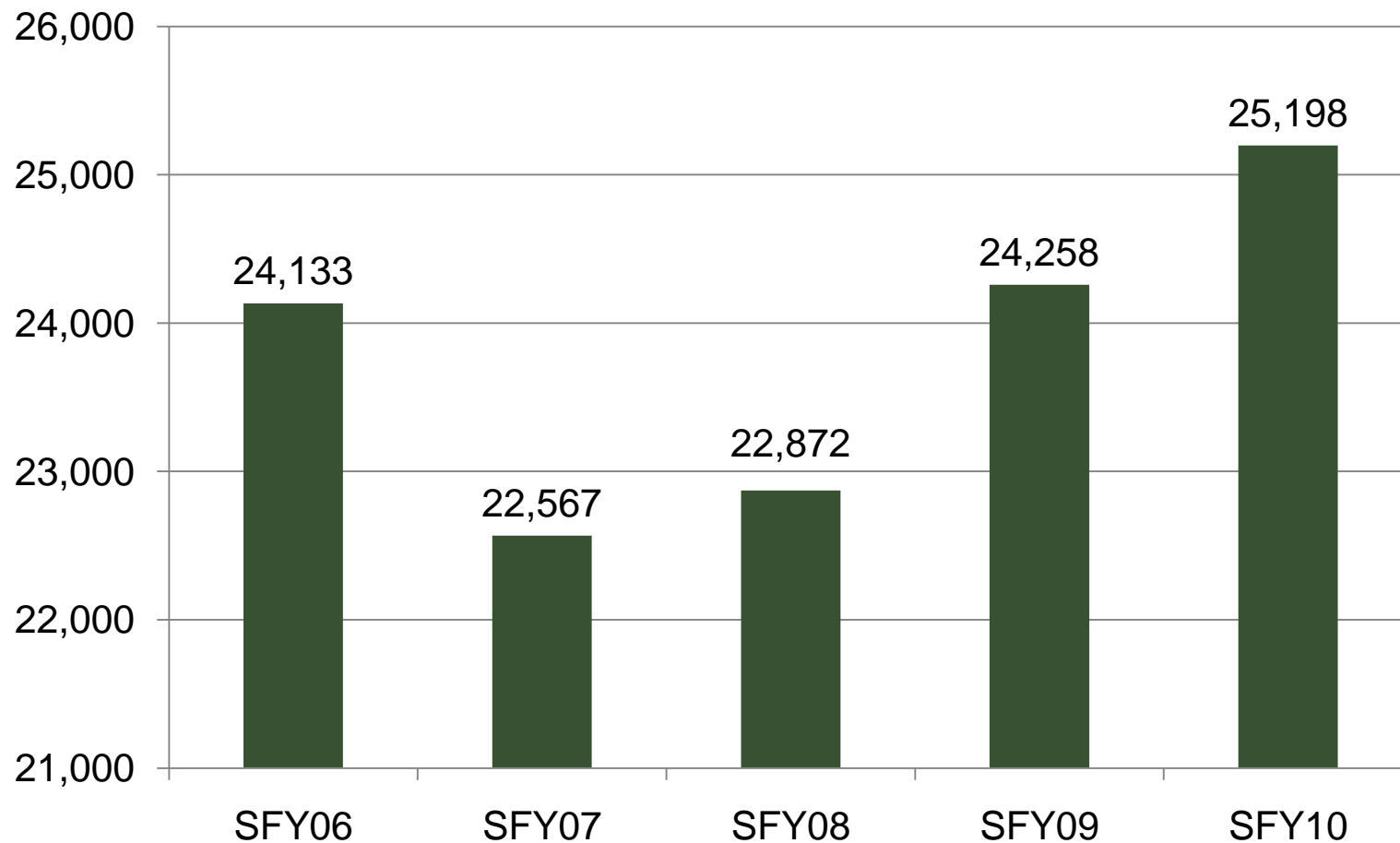


Waiver counts: New consumers





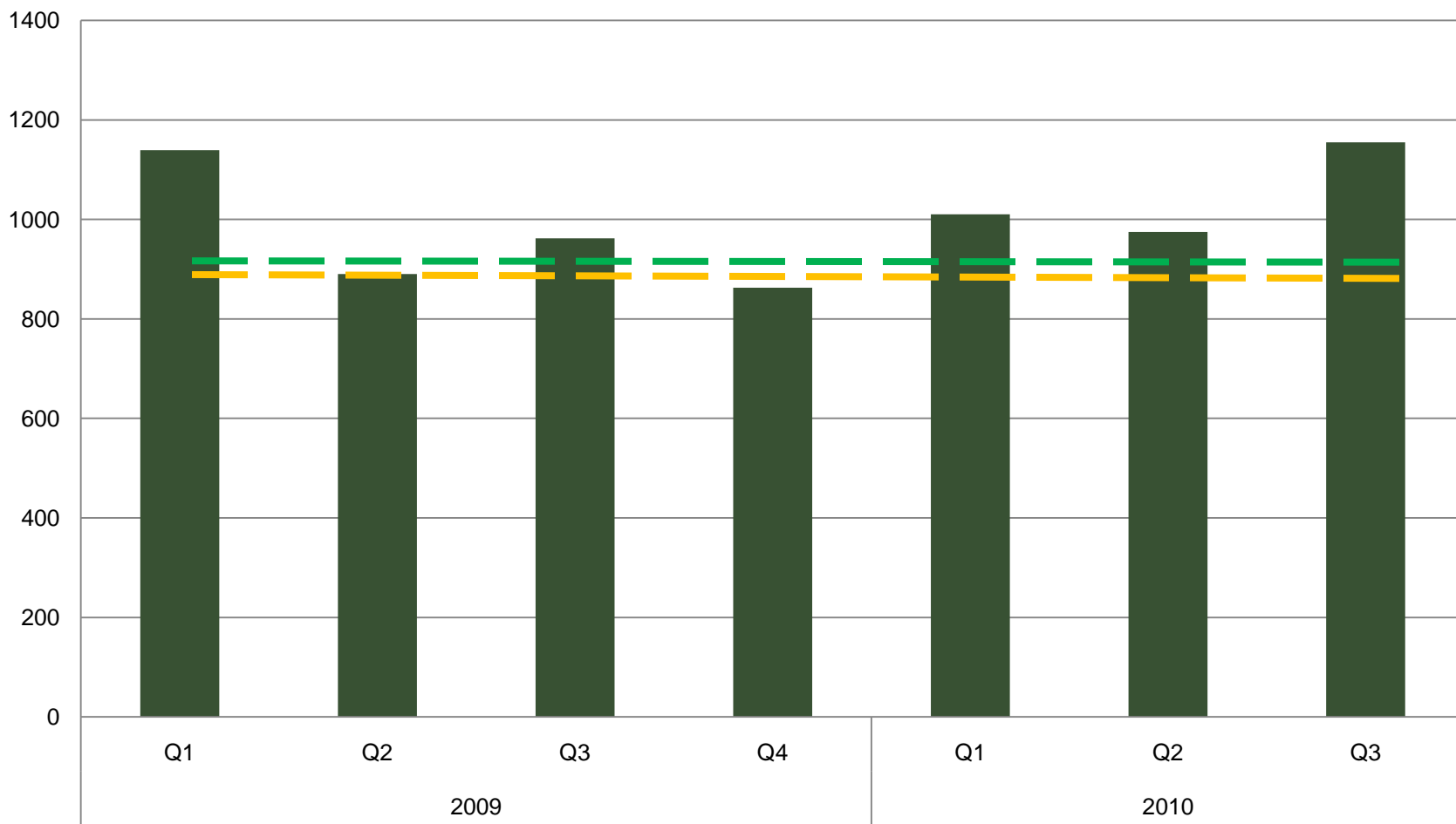
BCDS – First Steps – Children served





DDRS – Performance Metrics

The number of clients that have obtained competitive employment

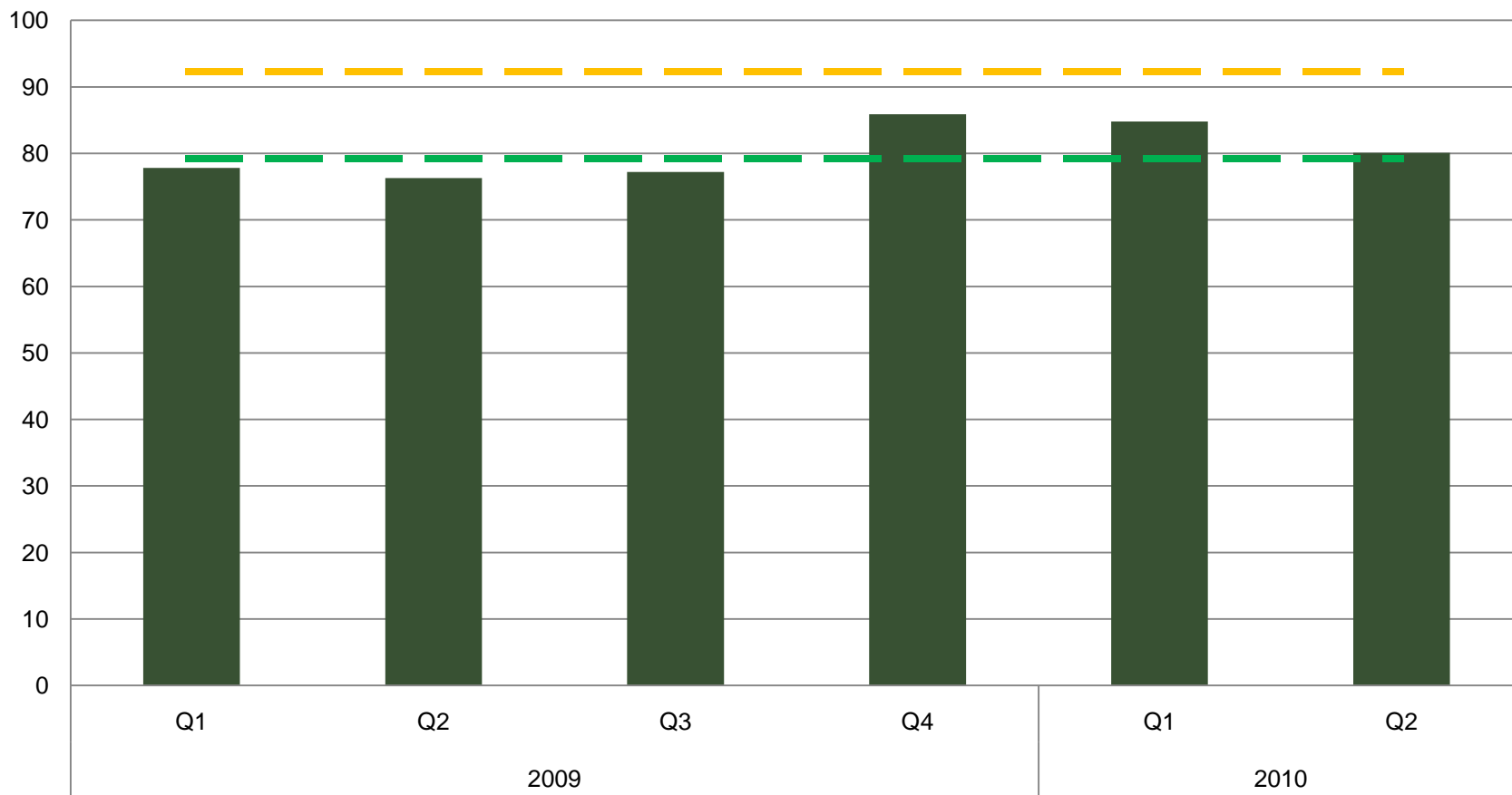




DDRS – Performance Metrics

SSI Disability Determination

Average number of days for review to be processed (Title 2)





Division of Family Resources (DFR)



DFR- Accomplishments

Child Care

- Consistently supported 36,000 children a month through the CCDF voucher program.
- Completed the statewide roll out of a voluntary child care rating and improvement system, *Paths to QUALITY*.
 - Within 18 months of statewide implementation, over 78% of Licensed Centers and 47% of Licensed Homes have enrolled in the voluntary system. This program now benefits over 71,000 children
- Provided assistance to 16,397 families in locating child care last year, including enhanced referral for families seeking child care for infants and toddlers or special needs children, as well as referrals for Spanish speaking families.

Hybrid Initiative

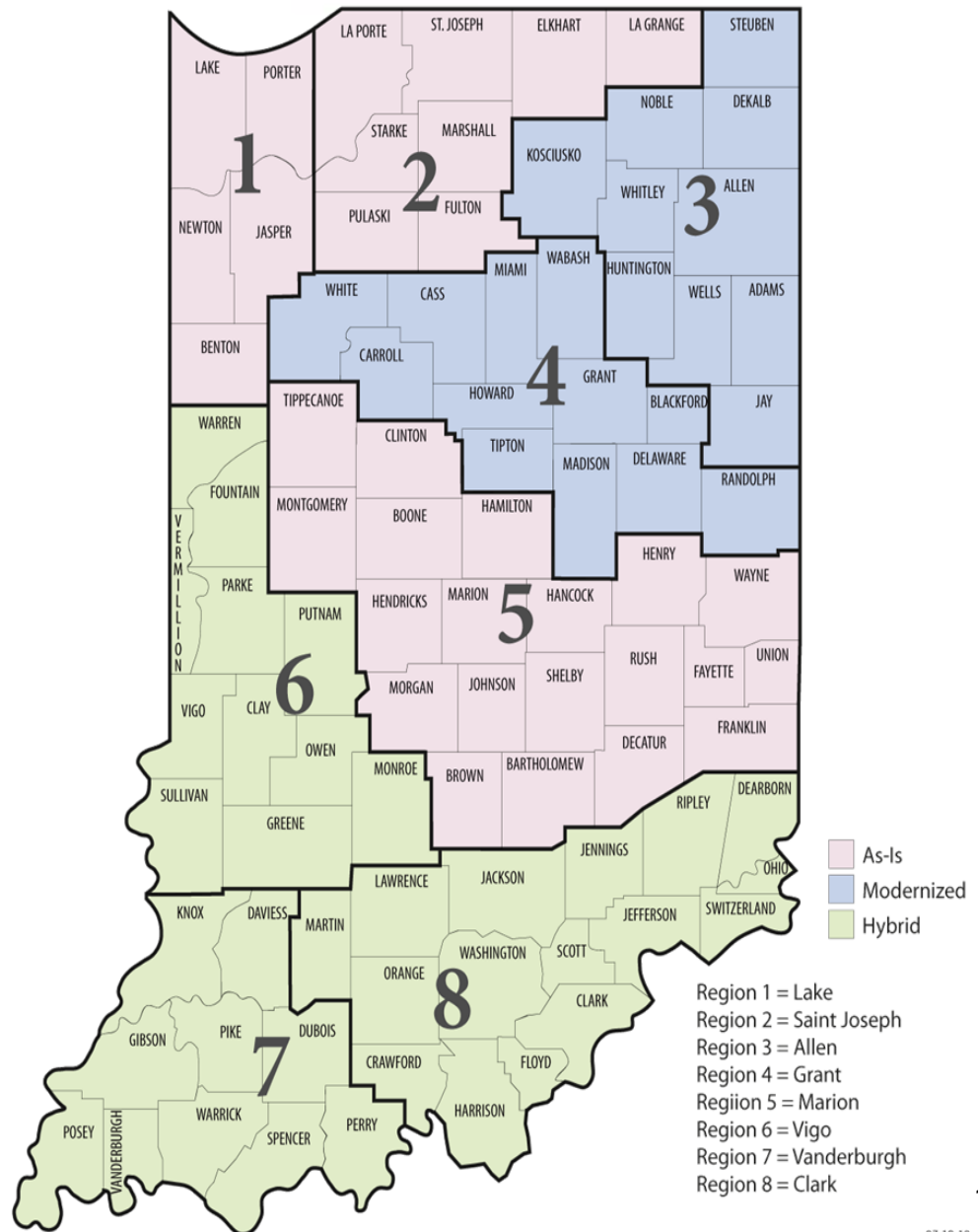
- Has been rolled out in three regions (37 counties), with the next region 2 regions being planned for 02/11.
 - Reached out to clients, advocates and staff to create and model a solution that combines the best of the modernized *and* the pre-modernized systems.
 - Implemented Guiding Principles focusing on:
 - Improved client experience
 - Improved timeliness of application determinations, redeterminations and change processing.
 - Improved accuracy/reduce error rates.
- Developed regional Hybrid Advisory Stakeholder Groups.



DFR Regions

Hybrid Conversion:
 Vanderburgh – January
 Vigo – June
 Clark – September
 Grant & Allen– Scheduled for
 February 2011.

Indiana has been working closely with the Federal government. FNS requires two months of data prior to giving the State approval to expand to another region.





Number of Hoosiers Receiving Benefits Increases Since 2002

With the economic downturn, FSSA program enrollment has increased by 39% since 2005.

Enrollees by Program (as of June 30 annually)									
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Medicaid*	756,904	777,170	822,344	847,625	857,599	877,933	920,332	1,017,571	1,088,637
Food Stamp Recipients	428,089	487,197	532,402	557,206	575,602	586,156	639,470	721,155	828,604
Food Stamp Households	180,457	205,208	228,218	241,177	249,914	253,443	273,876	306,562	355,626
TANF	151,269	146,783	148,788	141,055	135,206	117,311	122,743	119,912	104,004
Number of Hoosiers enrolled in at least one program**	776,121	810,694	866,103	899,701	922,434	943,343	1,013,429	1,114,950	1,250,774

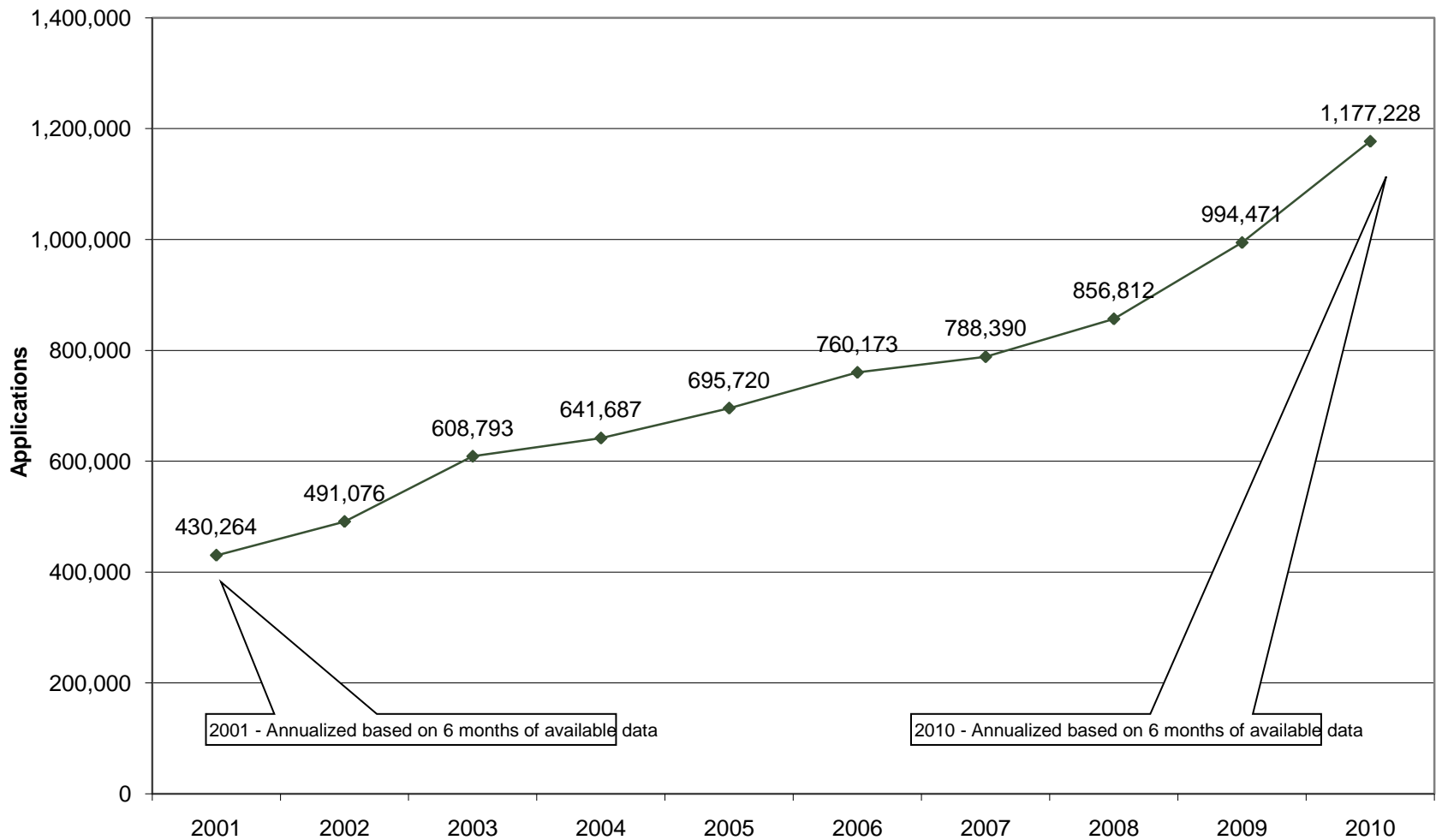
* Medicaid increase in 2008 & 2009 affected by addition of HIP program (18,903 members in 2008 & 50,115 members in 2009).

** Program totals are comprised of only unique cases, and not a sum of individual program data.

Source: "IN diana Fact" report; ICES

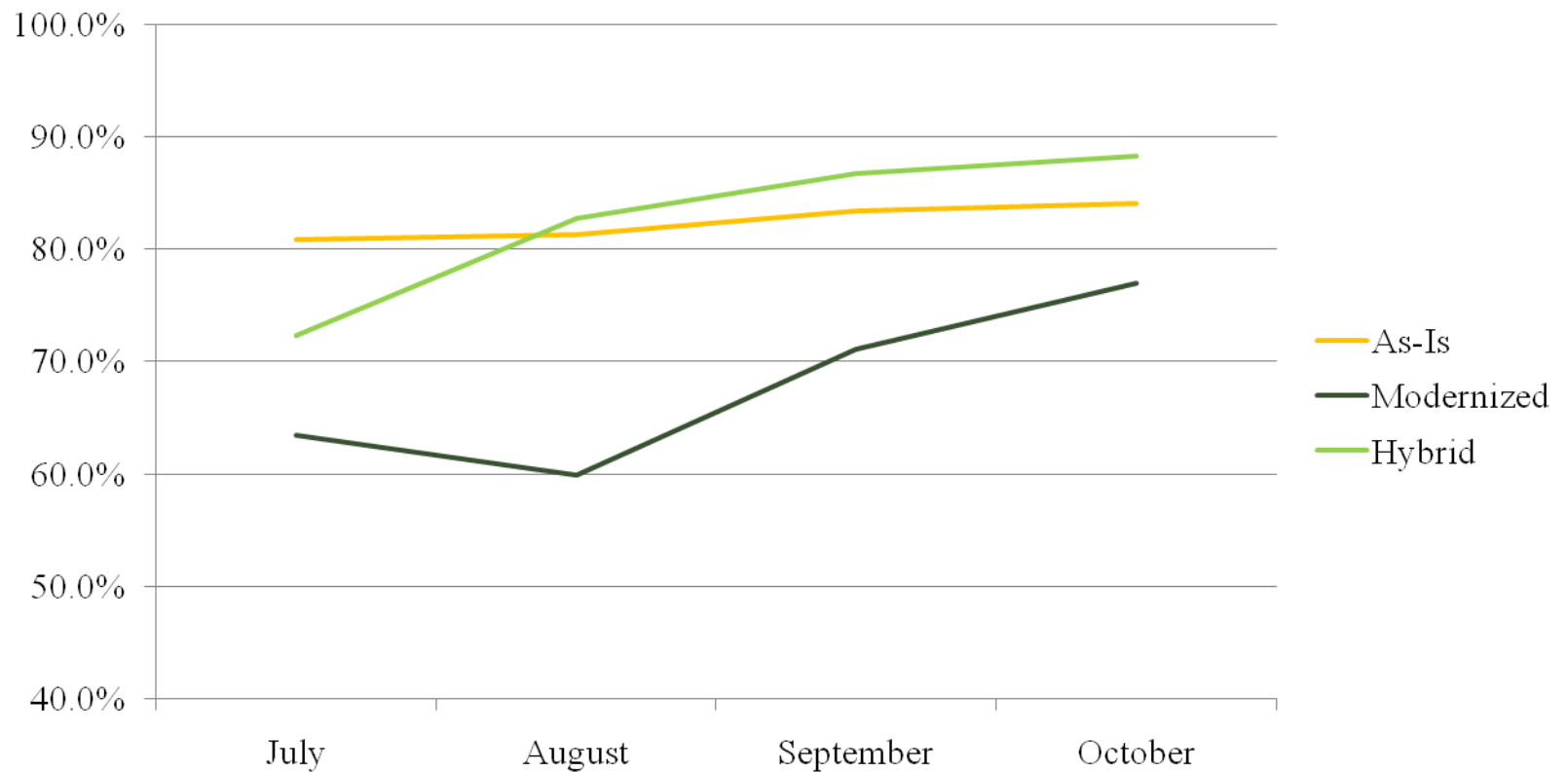


New Applications for Assistance Groups Received in ICES Statewide



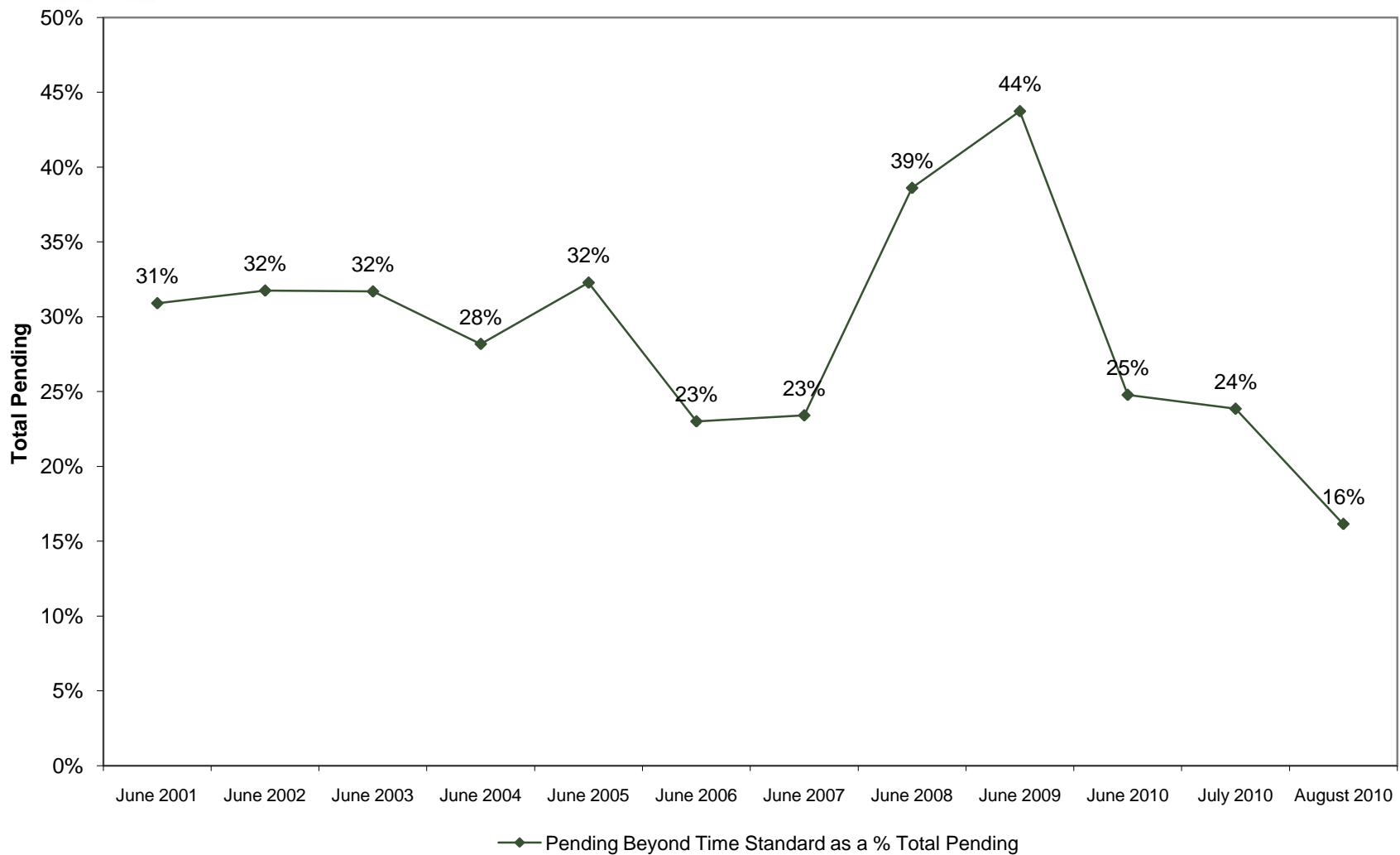


FY11 Timeliness Performance





Applications Pending Beyond Time Standard as a % Total Pending Applications Statewide





Regional Application Backlog

12/5/09 –11/19/10

Applications Pending and Late Excluding HIP									
	Lake	St. Joseph	Allen	Grant	Marion	Vigo	Vanderburgh	Clark	State
Week Ending	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Total
12/05/09	1,309	830	3,941	3,468	8,653	2,338	2,427	3,053	26,019
11/19/10	301	241	725	936	3,696	225	305	621	7,050
Increase/ Decrease	-77%	-71%	-82%	-73%	-57%	-90%	-87%	-80%	-73%

Source: Cognos Application Tracking Dashboard
 Note: The change shown is relative to the 12/5/09 backlog



Hybrid Performance: Key Metrics

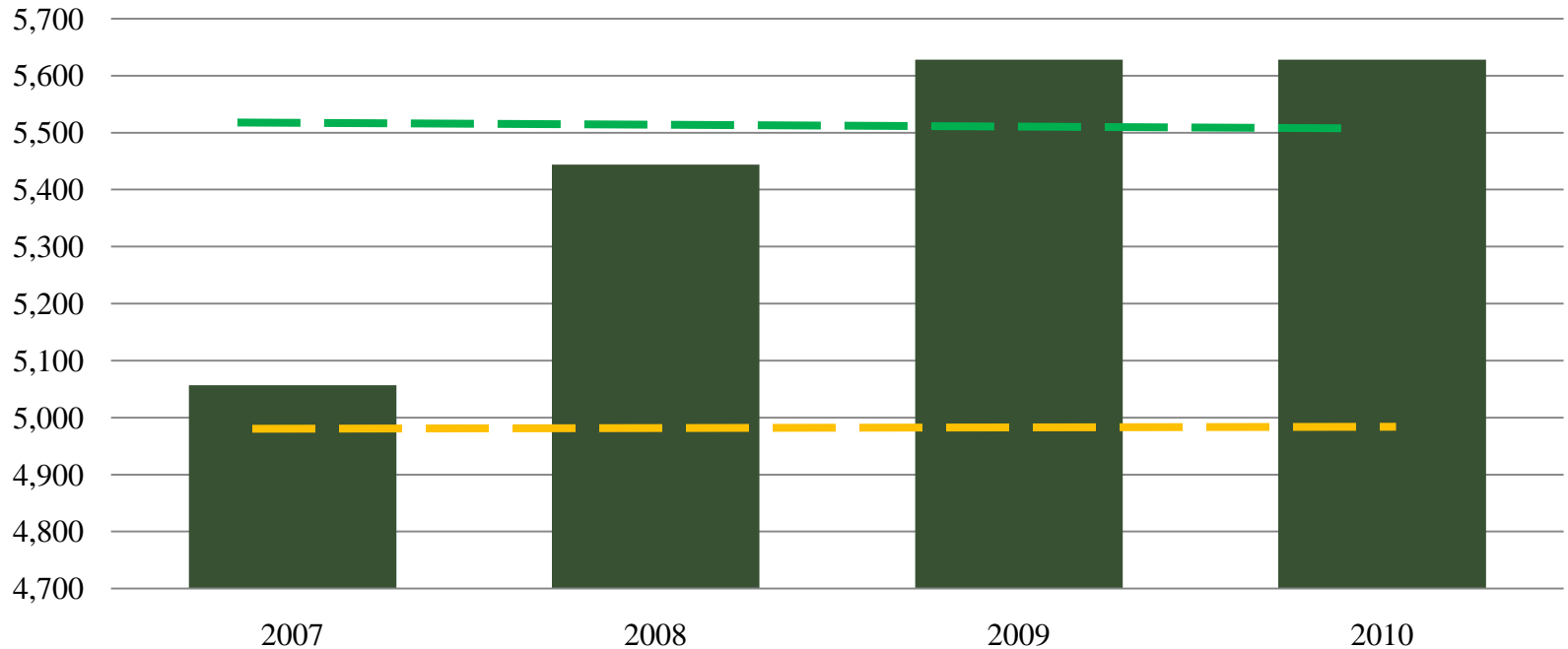
State Reported, Cumulative Food Stamp Error Rates*	
Positive May 2009	9.40%
Positive May 2010	3.01%
Positive May National Average 2010	3.66%
Negative May 2009	14.54%
Negative May 2010	2.47%
Negative May National Average 2010	7.60%

*The most recently available SNAP error rates as reported by FNS are for the month of May



DFR – Performance Metrics

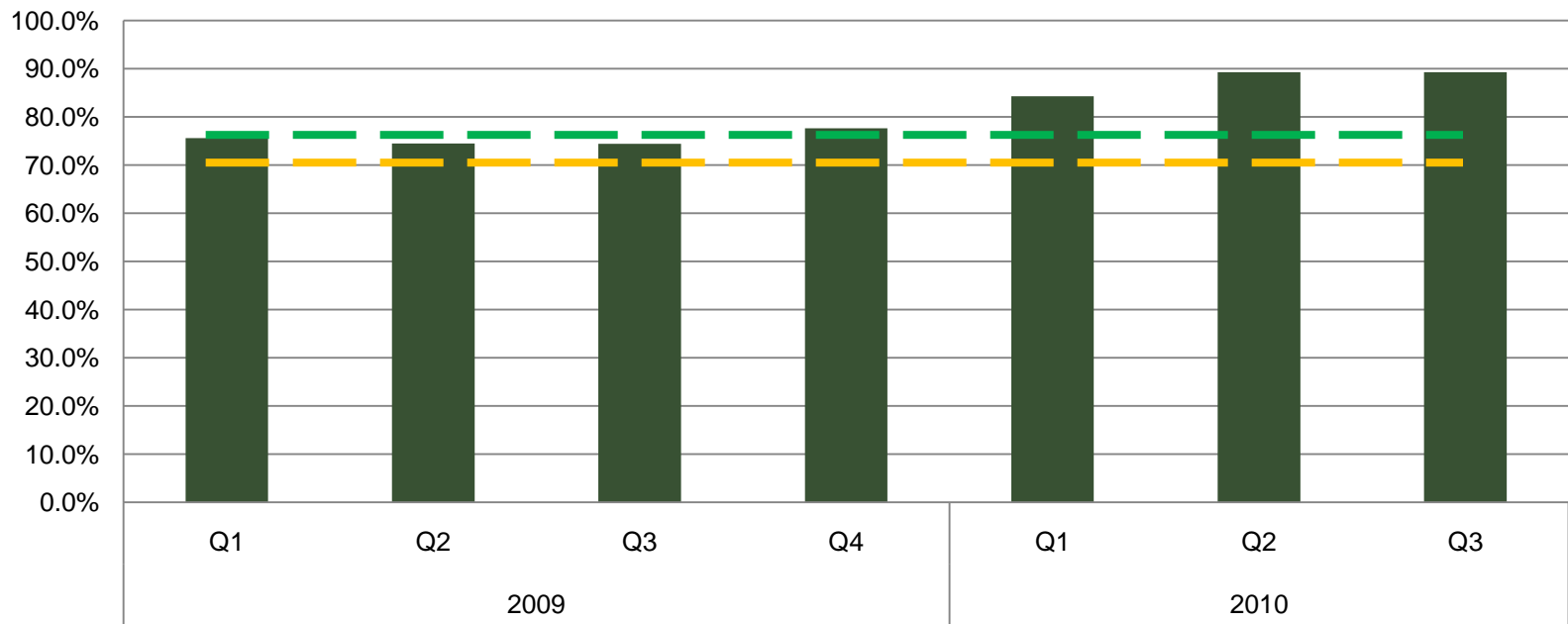
School Age Child Care (SACC) Number of Children Served





DFR – Performance Metrics

Federal Child Care Development Percentage of active CCDF recipients who are employed





Division of Mental Health and Addictions (DMHA)

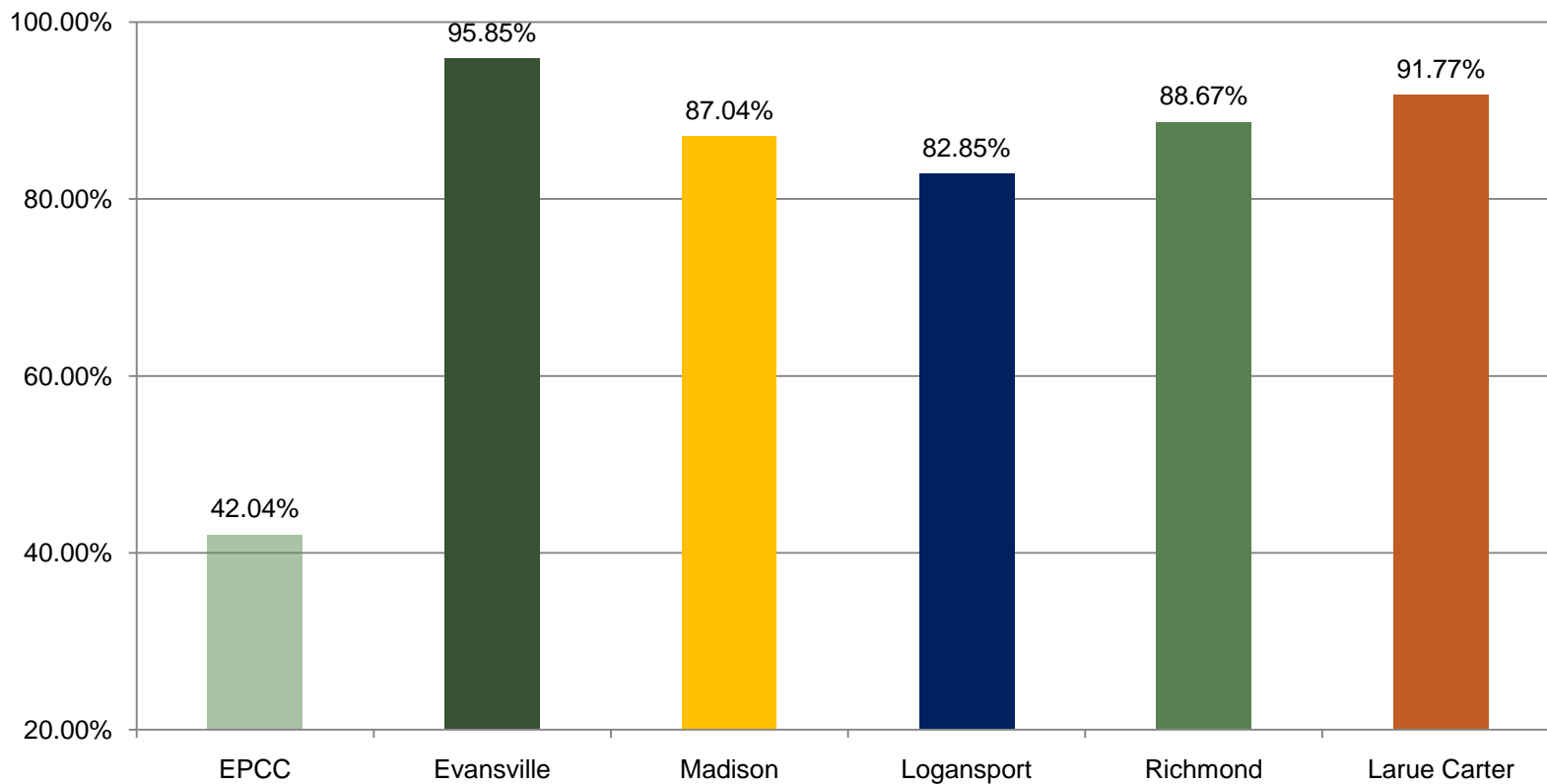


DMHA- Accomplishments

- State Operated Facilities
 - Transitioning of services and patients to the community to be finished by April 2011, which will result in an annualized savings of \$15 million beginning in SFY 2012.
- Medicaid Rehabilitation Option Services (MRO)
 - Assisted the Office of Medicaid Policy and Planning in the successful development and implementation of service packages for MRO services, utilizing the assessment tools for children (Child and Adolescent Needs and Strengths Assessment – CANS) and adults (Adult Needs Strengths Assessment – ANSA).
- Access To Recovery (ATR)
 - After a successful initial 3-year grant serving approximately 10,000 individuals, DMHA received a four- year, \$13.1 million grant extension to continue to serve approximately the same number of individuals.
- Child and Adolescent-Psychiatric Residential Treatment Facility (CA-PRTF)
 - Grant rolled out statewide and is serving approximately 1,000 individuals.
 - Children served under the grant achieved a 44% improvement in functioning compared to 33% for those in usual public services.
 - Achieved a per patient savings of at least \$31,000 compared to regular Psychiatric Residential Treatment resulting in an annual projected State savings of \$1.0 million.

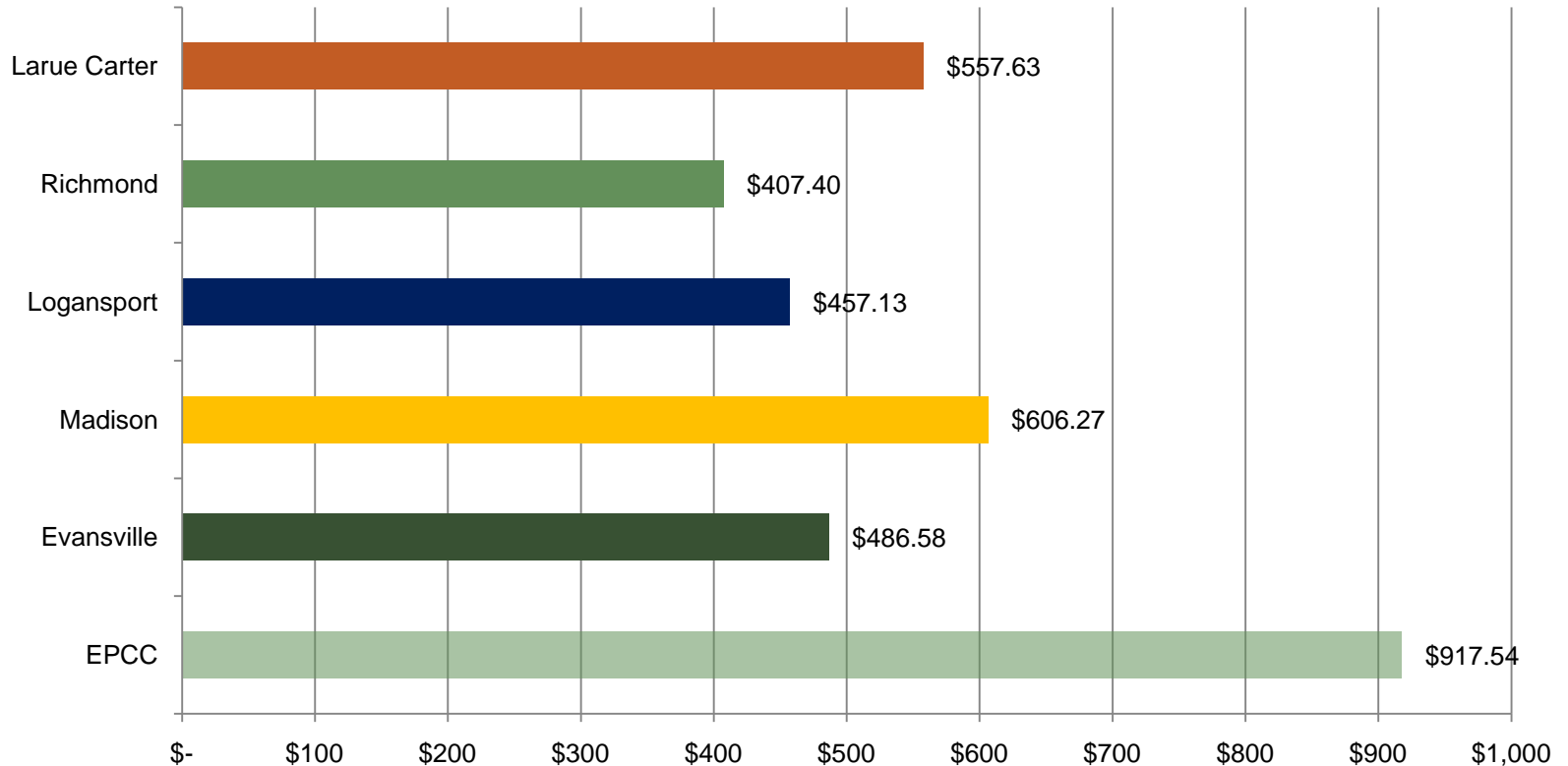


FY10 SOF Occupancy Rates





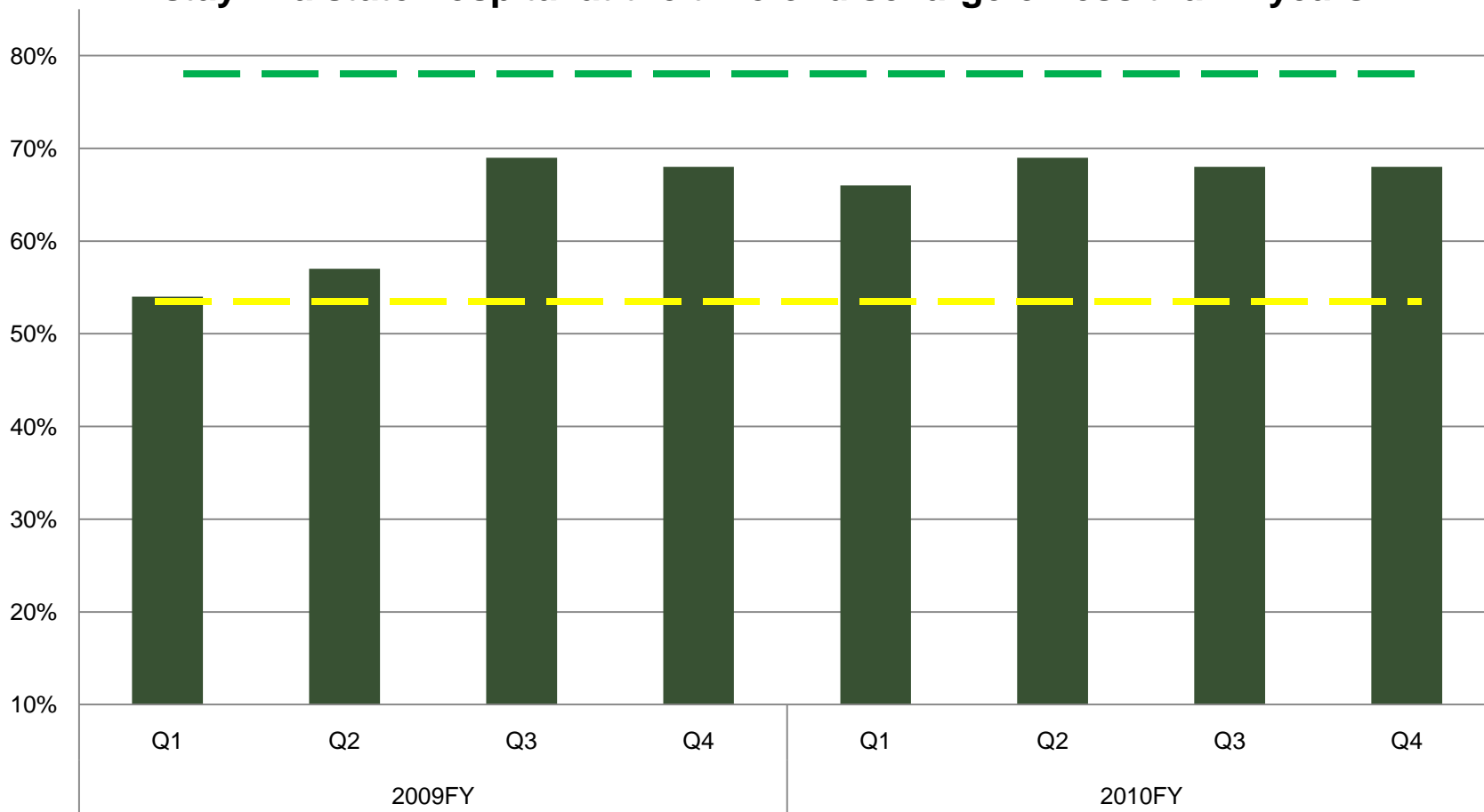
FY10 SOF Operating Cost - PPD





DMHA – Performance Metrics

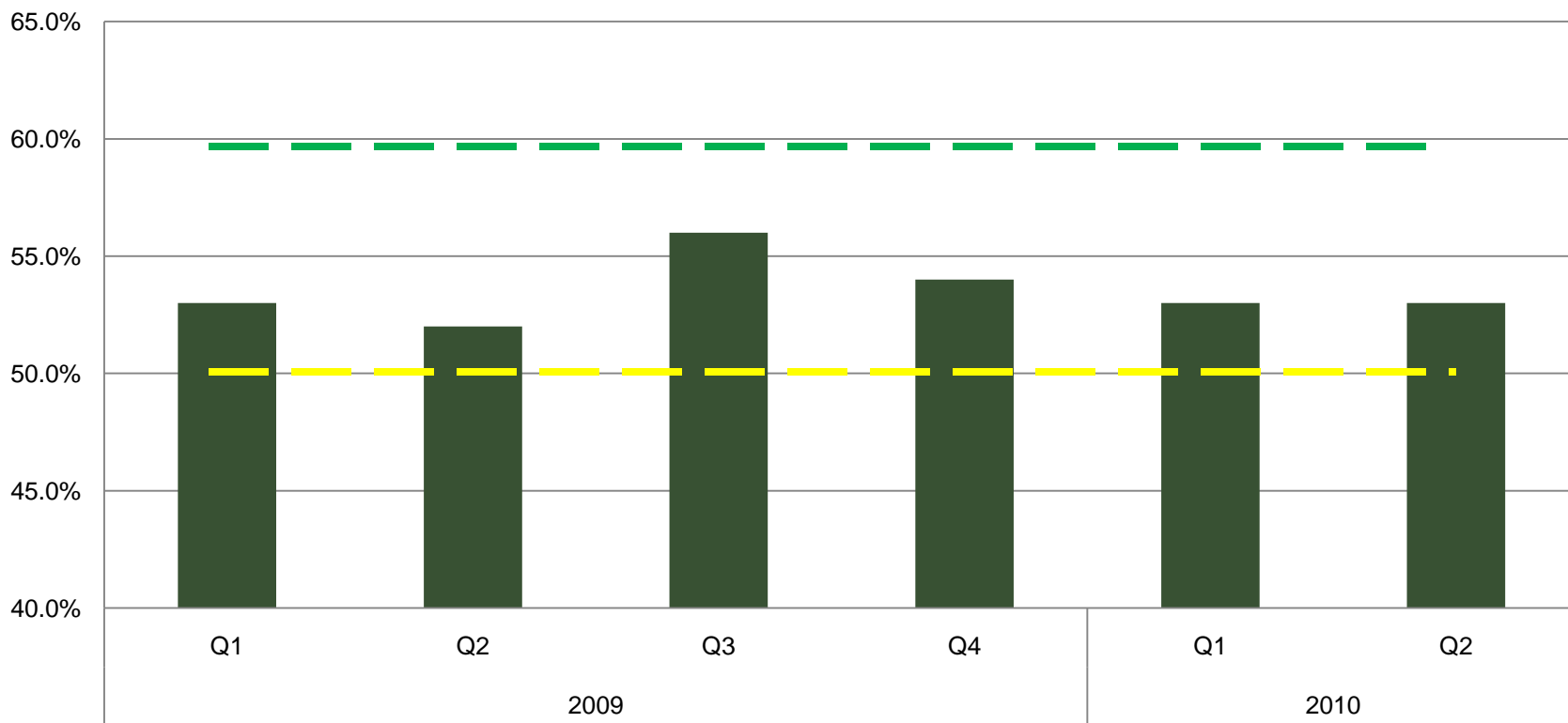
Percentage of adults with Serious Mental Illness with a length of stay in a state hospital at the time of discharge of less than 2 years





DMHA – Performance Metrics

**Percentage of SED Youth who improve
in at least one CANS domain**





Office of Medicaid Policy and Planning (OMPP)

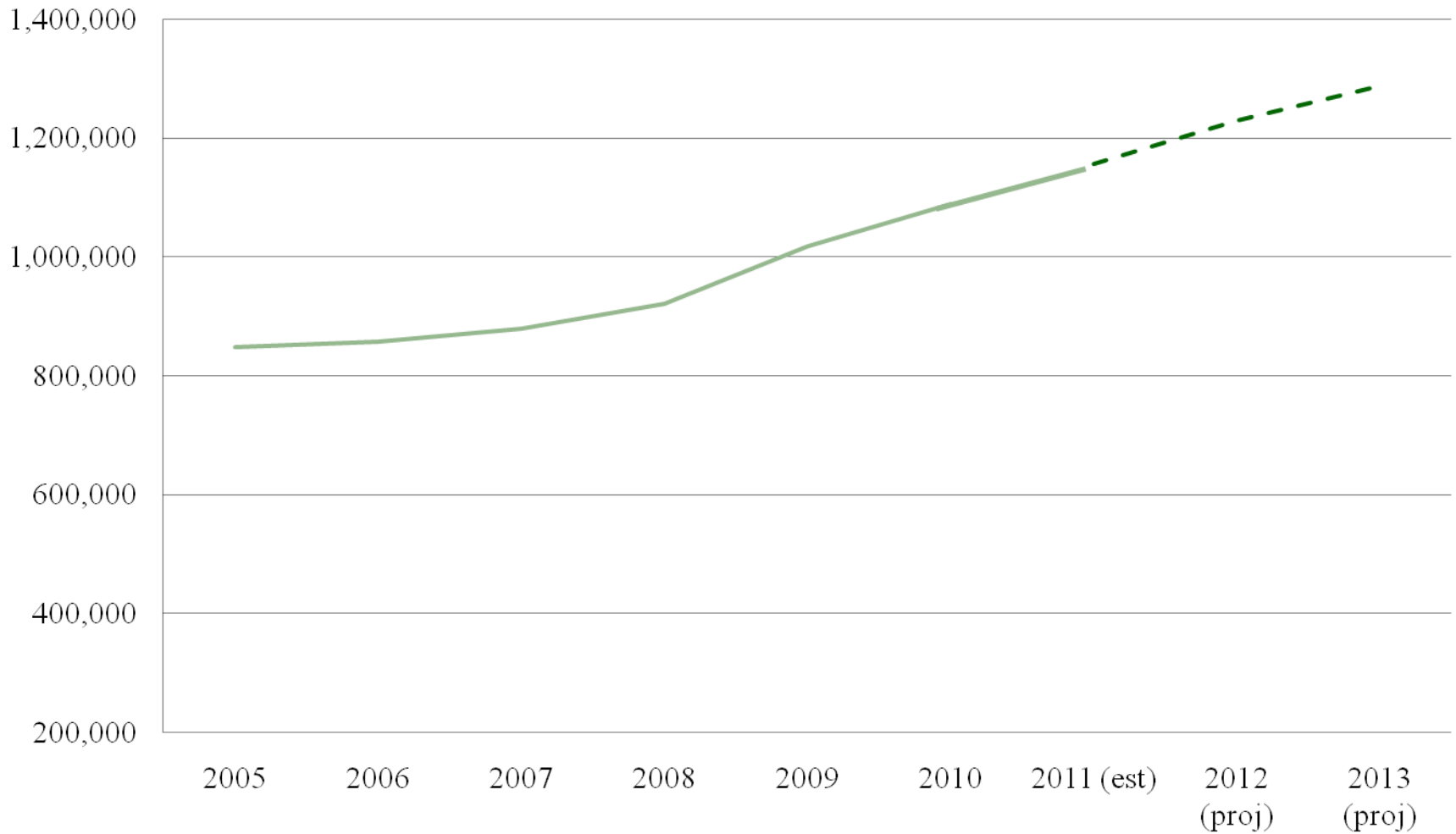


OMPP- Accomplishments

- Care Select Program:
 - Completed redesign: The new program will target those individuals who can best be helped by Disease Management, achieving savings of \$7.5 million in SFY 2011 and potential savings of \$11.3 million in subsequent years.
- Hoosier Healthwise Program (HHW) and Healthy Indiana Plan (HIP):
 - By combining contract terms for Managed Care Organizations, families enrolled in both HHW and HIP are now covered by one contractor, streamlining service delivery and enhancing customer service.
- Medicaid Health IT:
 - Awarded \$2.3 million in federal dollars for planning and development of policies and processes to identify and fund eligible providers and hospitals who are adopting electronic health record (EHR) systems, and who can demonstrate meaningful use of EHR such as e-prescribing, electronic exchange of health care information, and transmittal of clinical quality measures.
- Pharmacy carved out from Risk-Based Managed Care:
 - Reduced the number of preferred drug lists to one for all Medicaid plans, which increased efficiencies for providers and pharmacists by reducing the need to retain and review several plans for prescriptions, and expediting prior authorization and prescription fills for consumers.
 - Allowed for increased revenue from pharmacy rebates.
- Implemented Correct Coding Initiative to ensure proper payment of provider claims.
- Implemented presumptive eligibility for pregnant women, which increased the Medicaid coverage for the pregnancy by reducing the amount of paperwork needed for confirmation of eligibility thereby improving consumer relations with the patient and provider.

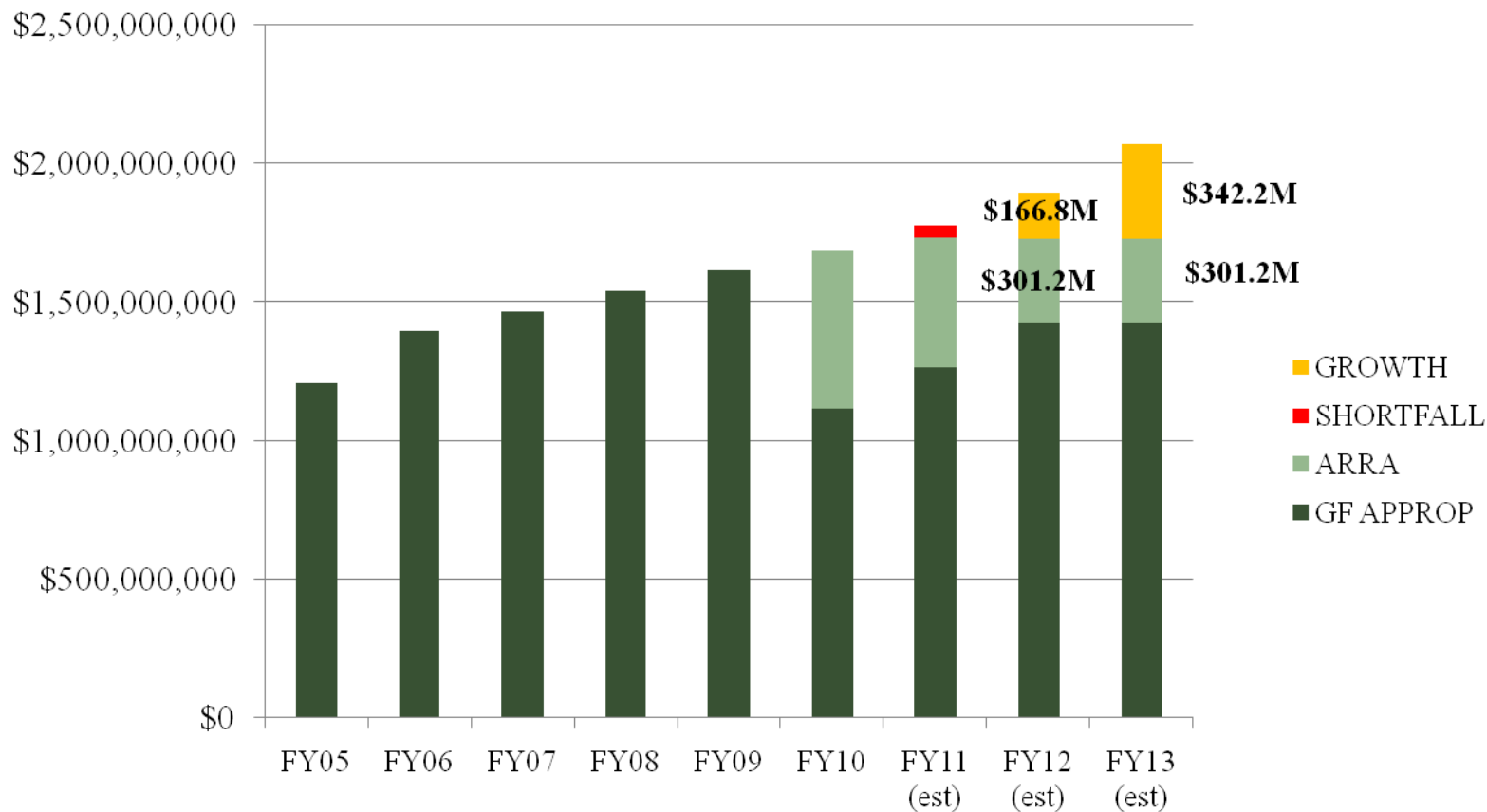


Medicaid Enrollment





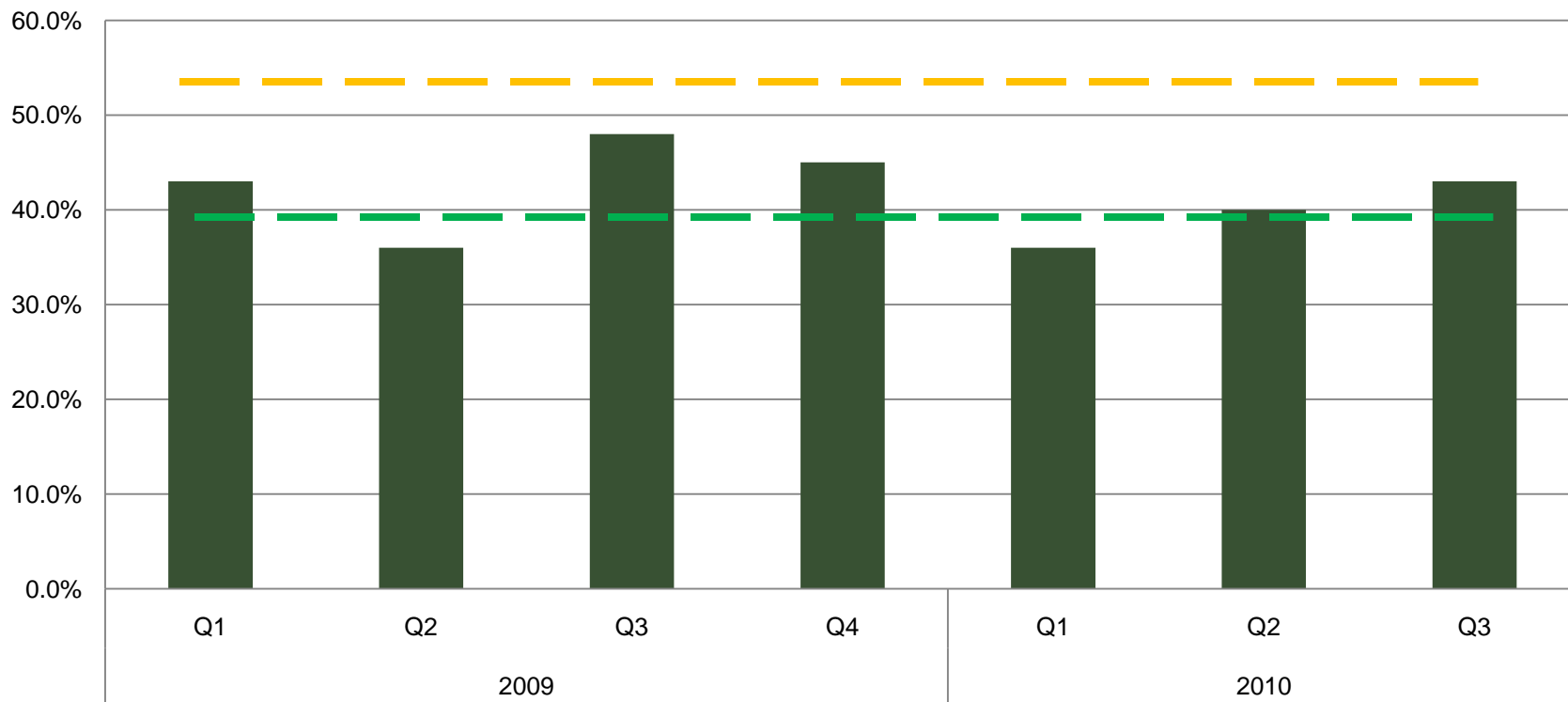
Medicaid General Fund Appropriations





OMPP – Performance Metrics

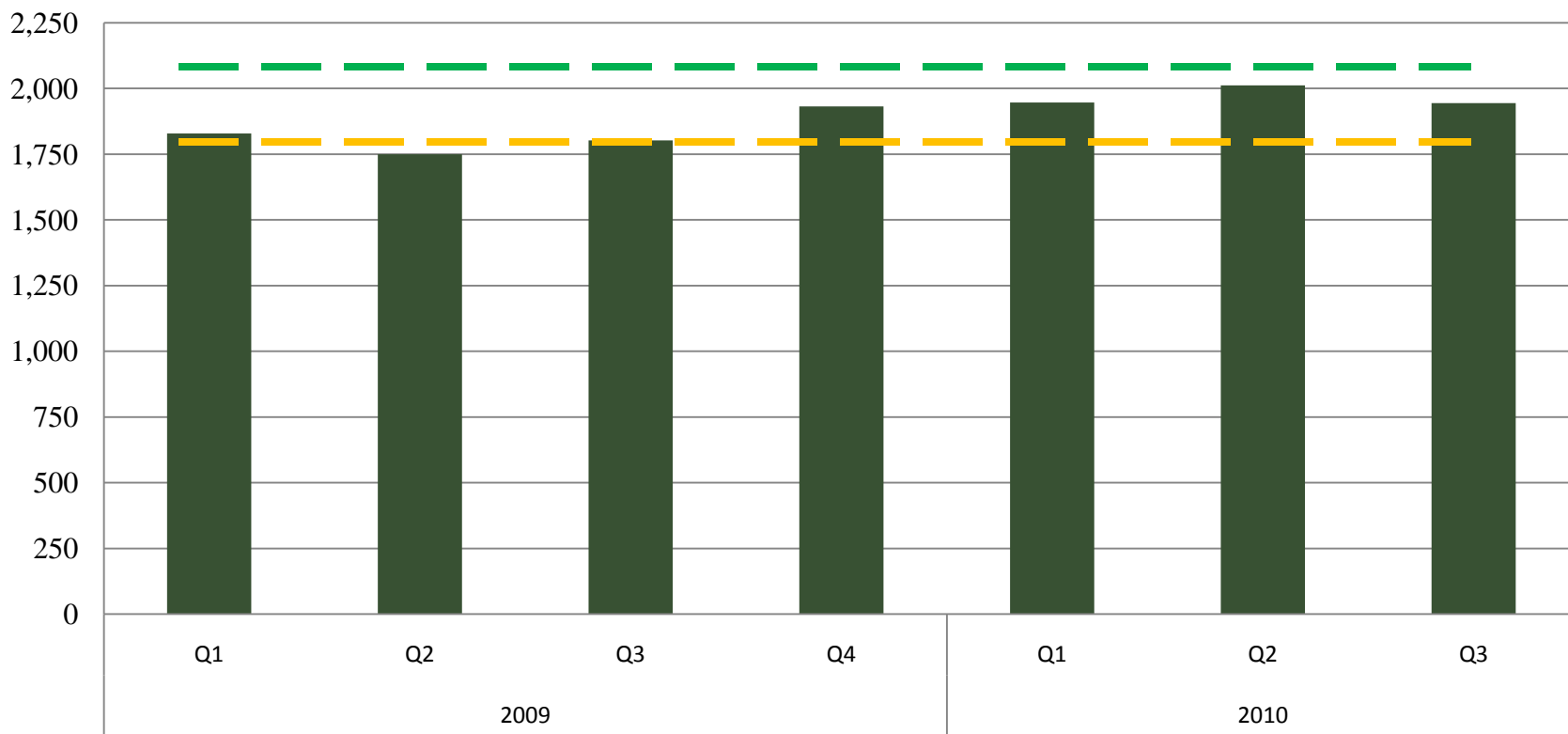
Medicaid Administration State dollars as a percentage of total expenditures





OMPP – Performance Metrics

CHIP Assistance
Number of well child visitations in the first 15 months of life





Healthy Indiana Plan (HIP)



Healthy Indiana Plan (HIP) Update

- Enrollment (as of 9/30/2010)
 - Total enrollment: 43,609
 - Childless adults: 17,141
 - Parental adults: 26,468
- Childless adults wait list continues, but program remains open for parental adults
- Number of individuals on waitlist: 51,915



HIP Accomplishments

- Member Behavior
 - 76% of HIP members completed their required annual physical; completion of preventive services makes a member eligible for POWER account rollover in the following year
 - HIP members required to make POWER account contributions saw a 9% decrease in ER utilization during the first 3 months of enrollment, and 15% after 6 months. HIP members not required to make POWER account contributions only saw an initial 5% decline in ER use after 3 months and no additional decline in subsequent months.
 - 97% of individuals make their required POWER account contributions
- Member Satisfaction -Product Acceptance and Research conducted a survey of HIP members
 - 94% of members were satisfied with the program
 - 99% indicated they would reenroll in the program



HIP & The Affordable Care Act

- May 17, 2010 letter – Letter from FSSA Secretary Anne Murphy to CMS Director Cindy Mann
 - CMS questions:
 - Can HIP be used as the coverage vehicle for the newly eligible population under the Affordable Care Act?
 - Waiver expires in 2012 and ACA provisions come into effect on January 1, 2014 – What will happen in 2013?
 - Will State receive an enhanced match for current HIP participants?
 - This will impact fiscal projections on how much the Affordable Care Act will cost Indiana
- Meeting with CMS did not lead to a concrete answer. State will be submitting necessary paperwork to seek approval for HIP as the coverage vehicle in 2014.



HIP - 2011 Legislative Session

- Seeking to make several programmatic changes
 - Align program with ACA requirements, effective 2014
 - Give the State the authority to begin making changes to the program in preparation for the program's use as the coverage vehicle for newly eligible adults under the Affordable Care Act
 - Required minimum (\$60 annually) contribution for all participants
 - Allow not-for-profits to make up to 50% of an annual contribution



Enrollment Scenarios

Scenario	December 2012 Projected Enrollment			Remaining Tax Revenue in 2012
	Parents	Childless Adults	Total	
Status Quo	50,000	12,000	62,000	\$236.0 M
Scenario 1	50,000	17,000	67,000	\$220.1 M
Scenario 2	50,000	24,000	74,000	\$184.4 M
Full Enrollment	50,000	36,500	86,500	\$130.3 M

Notes:

- Data provided through September 30, 2010.
- CY 2008 beginning balance of approximately \$73.9M.
- Scenarios above assume that HIP ends with waiver period in 2012.



Revenue Projection

Scenario	CY 2012 Projection		
	State Expenditures	Tax Revenue	Surplus/(Deficit)
Status Quo	\$147.2M	\$127.7M	\$(19.5M)
Scenario 1	\$159.5M	\$127.7M	\$(31.8M)
Scenario 2	\$180.5M	\$127.7M	\$(52.8M)
Full Enrollment	\$214.8M	\$127.7M	\$(87.1M)

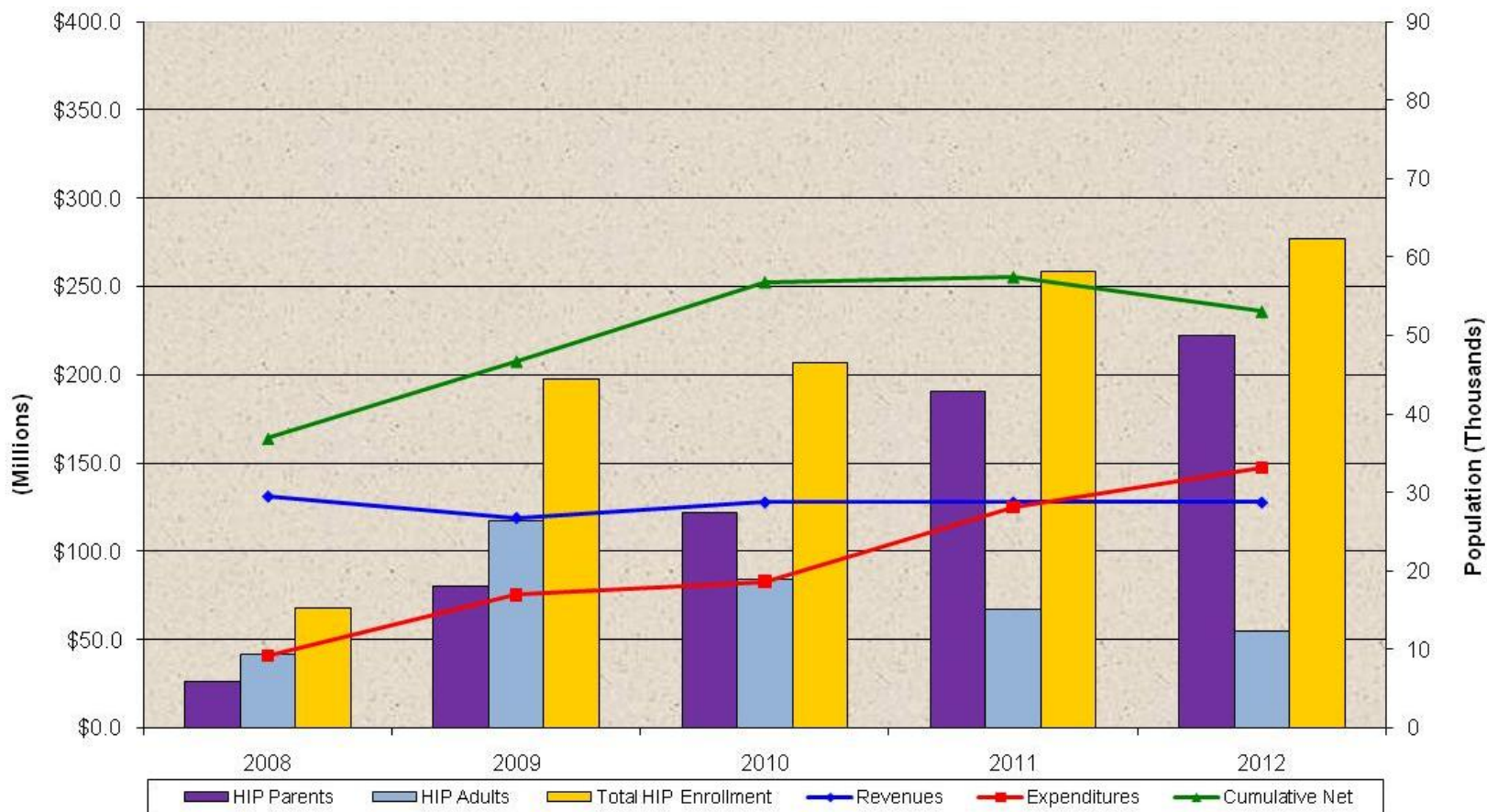
Notes:

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Healthy Indiana Plan

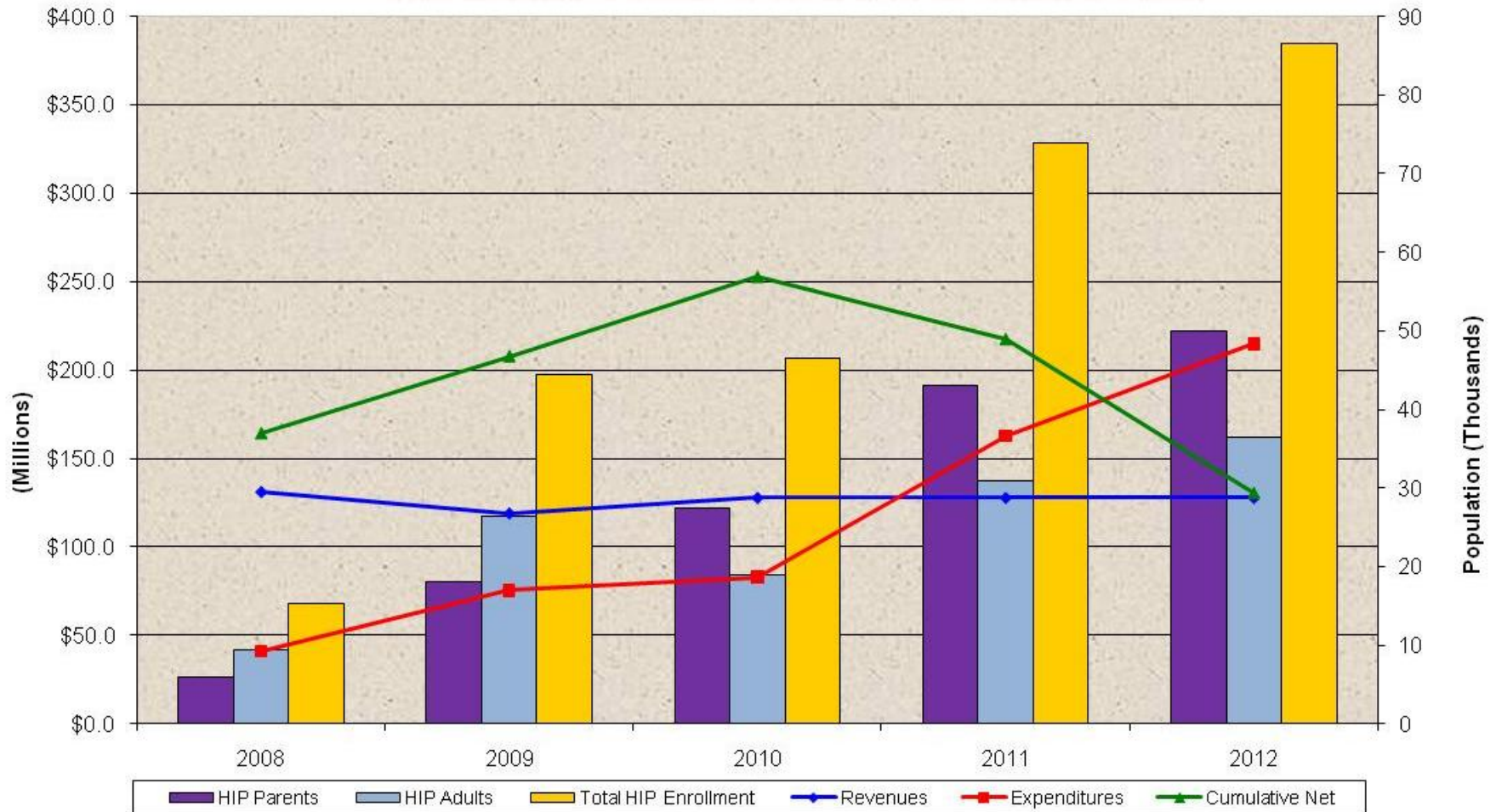
Revenue and Expenditure Forecast – September 2010 Update
 Status Quo





Healthy Indiana Plan

Revenue and Expenditure Forecast – September 2010 Update
 Full Enrolment Scenario – Grow HIP Adult Enrollment to 36,500





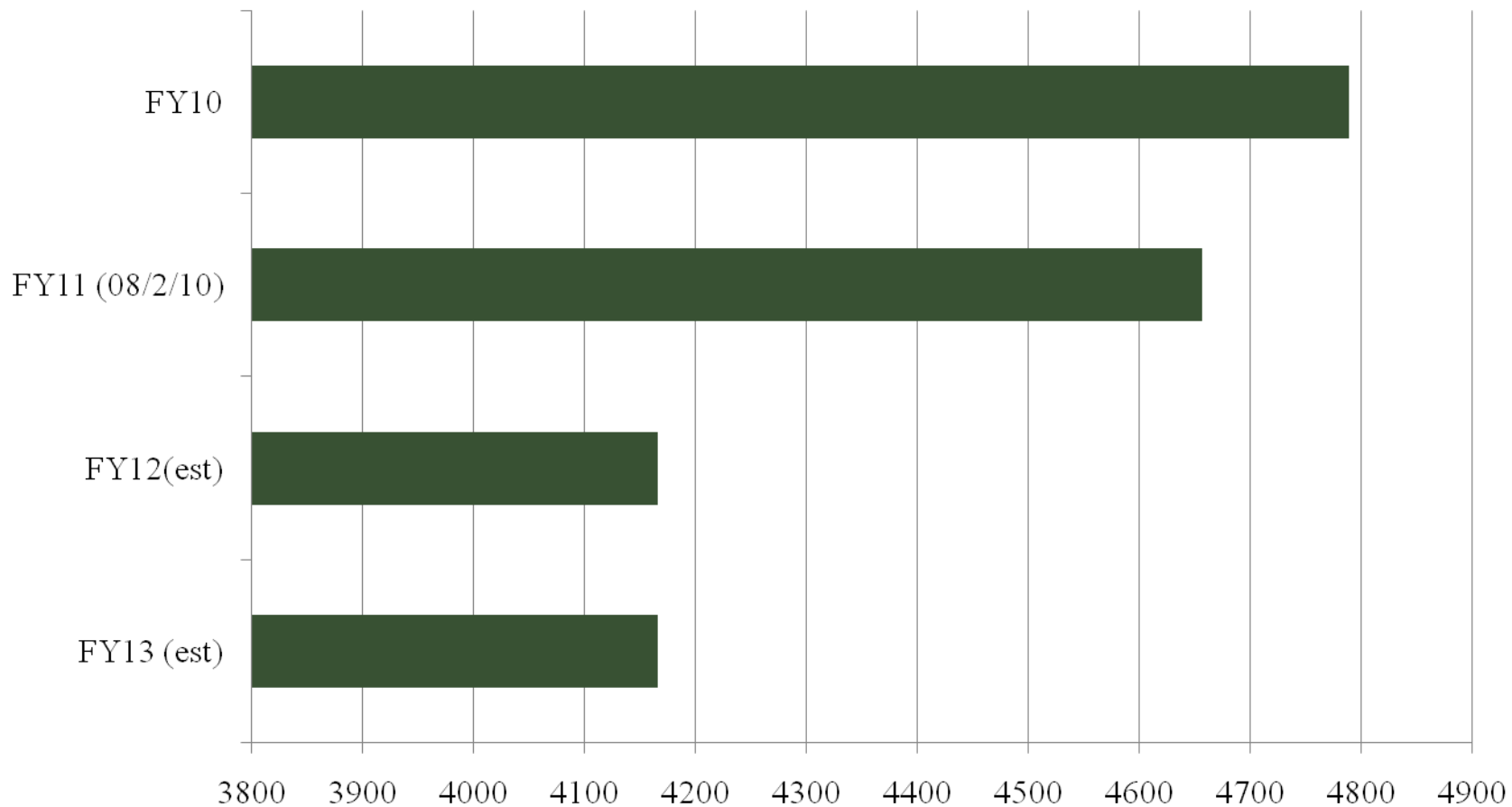
Indiana Family & Social Services Administration

FY12-13 Budget Request





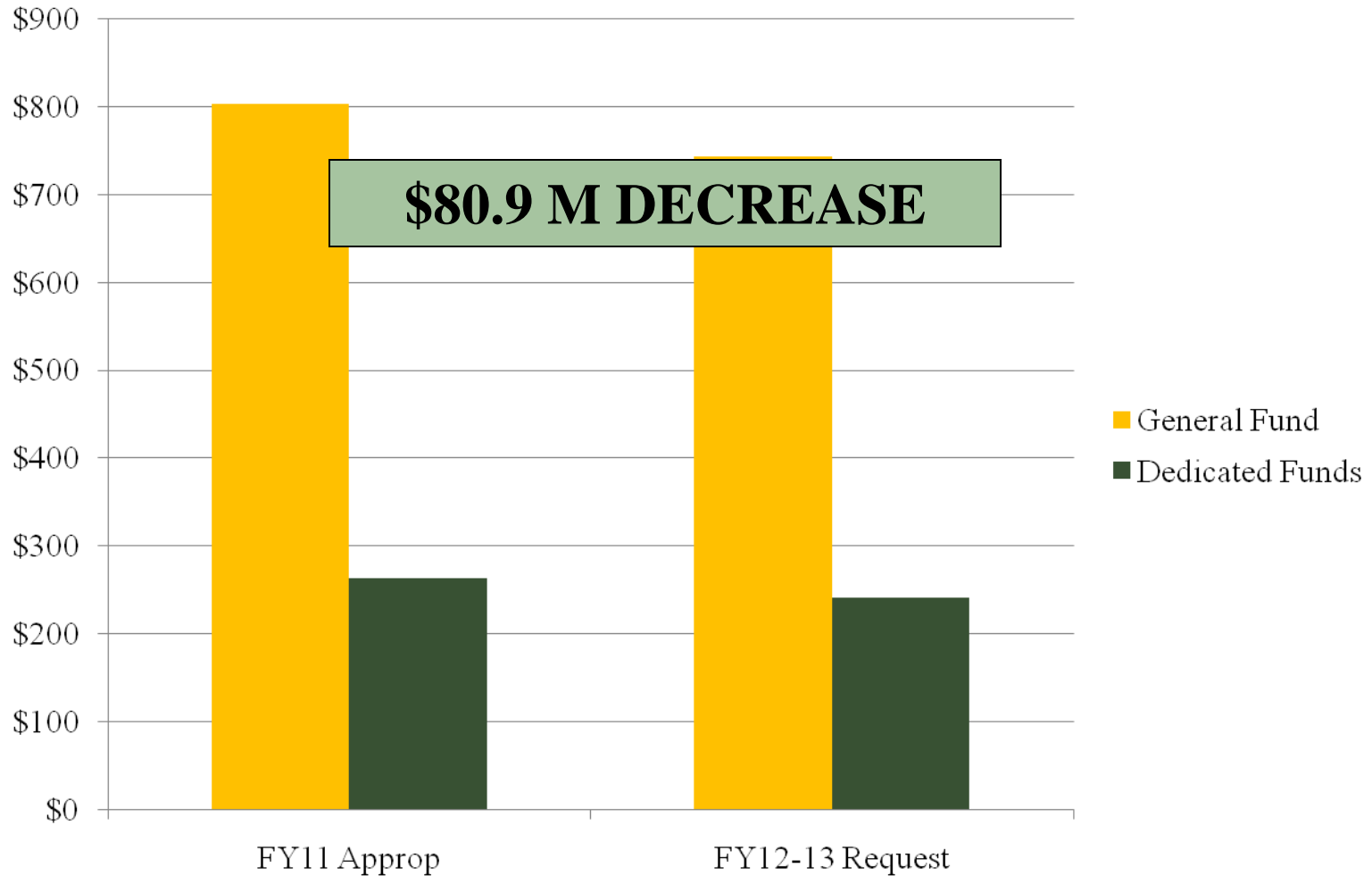
FSSA Headcount





Non-Medicaid Base Budget

(\$'s in millions)





Summary of Base Changes

- \$9.4M reduction in appropriation request for CHOICE
- Implementation of transition from Care Select to Chronic Disease Management that will reduce costs by over \$11M.
- Reductions of almost \$18M in administrative costs due to attrition, efficiencies and contract reductions.
- Over \$11M in savings from maximizing federal dollars.
- Continuation of RCAP moratorium for a savings of \$3M.
- Reduction of approximately \$7M in DD state line funding as a result of transitioning individuals to waiver funded services.
- Elimination of DDRS Crisis and Outreach contracts that will save approximately \$6M
- \$15M in annualized savings due to the SOF Transition plan



Change Package –DFR County Admin \$32.6M

FY08

- \$71.7M appropriation
- 765,419 applications processed
- 2,308 staff

FY10

- \$56.5M appropriation
- 1,107,985 applications processed
- 2,741 staff



Change Package - Medicaid

- ARRA funds have provided additional funding, but will end at the end of FY11.
- This ARRA “cliff” will require approximately \$300M annually in General Funds to replace.
- In addition, FSSA will be requesting approximately \$70M in additional GF for FY12 and more than \$200M in FY13 for the projected increase in enrollees.



FSSA Capital Request

- Capital request for State Hospitals include both Preventive Maintenance and Capital projects needed to maintain the current facilities.
- Capital project request for the State hospitals is being maintained at the same level as the last biennium budget.
 - Preventive Maintenance - \$5,553,395
 - Capital Projects - \$8,479,768
- Request have been limited to those projects that are needed to maintain the infrastructure of the facilities and life safety issues.



FSSA Capital Request

- Capital projects have been prioritized over the SOF system as a whole and not by each individual hospital.
- Major capital projects:
 - Replacement of current SOF Pharmacy System-current system is no longer going to be supported by the current vendor during the next biennium therefore this system will need to be replaced (Project request \$1.8 million).
 - Remainder of projects are various projects among the hospitals for infrastructure and life safety (Project request \$6.9 million).



FY12-13 Budget Challenges

- Health care reform –No funding included in budget request
- Legislative opportunities:
 - State Operated Facilities
 - Medicaid Optional Services
 - First Steps capitation requirement
 - TANF
 - QAF Maximization



QUESTIONS?