

Health and Human Services

GENERAL FUND

Total Budget Approved 2011 Session

FY 12-13
\$4,455,162,933

Budget Changes

(1.0) Division of Child Development

1 Block Grant Funding

Replaces state Smart Start funds with federal Block Grant funds. This continues a partial replacement of funds that Office of State Budget and Management conducted during FY 2011-12 in which \$4 million of Smart Start funds were replaced by \$4 million of Block Grant funds.

(\$4,000,000) NR

2 NC Pre-K Program

Increases funds for NC Pre-K program. These additional funds will fund an additional 1,765 students within the program for 10 months for FY 2012-13. These funds and the lottery funds provide a total of 143,147,360 available for the NC Pre-K program.

\$15,000,000 R

3 Literacy Pilot, Development Consultants, and Rural Partnership Assistance

Provides funding for early literacy initiatives to be administered by North Carolina Partnership for Children. These initiatives include: the Reach Out and Read program, Raising a Reader, parenting programs and lending libraries. Funds shall be used to enhance technical assistance to local partnerships in the areas of grant writing and fund-raising activities. Funding shall also be used to enhance local rural partnerships' funds.

\$3,500,000 NR

(2.0) Division of Medical Assistance

4 Medicaid Rebase

Provides additional funds for the Medicaid program based upon projected growth in number of people eligible for Medicaid and growth in consumption.

\$168,676,461 R

5 Medicaid Liabilities

Provides funds for repayment of the FY 2009 federal overdraw and repayment to the federal government resulting from a policy change on drug rebates.

\$55,033,537 NR

6 DHHS Savings Through CCNC

(\$59,241,142) R

Reduces funds based upon projected savings to be achieved by Community Care North Carolina (CCNC) and its networks in the management of health care for Medicaid recipients.

7 Behavioral Health Medicaid 1915 b/c Waiver

(\$630,000) R

Increases the savings anticipated as a result of the state-wide expansion of the 1915 b/c waiver sites. This additional savings is based upon the schedule provided by the Division of Medical Assistance.

8 Fraud, Waste, and Abuse Detection and Prevention

(\$3,807,519) R

Reduces funding available in the Medicaid program in anticipation of savings through the efforts of detecting fraud and waste among Medicaid providers and recipients. There are two information technology efforts underway to combat fraud, waste, and abuse through the Division's Fraud and Abuse Management System.

9 Restructure Fee for Service Payments

(\$1,976,636) R

Revises payment structures for various services provided within the Medicaid program. These changes will result in bundling of payments for services based upon a period of time or a diagnosis instead of fee-for-service.

10 Pharmacy Improvements

(\$6,671,507) R

Creates savings through increased usage by facilities who utilize the 340B pricing program for the purchase of hemophilia drugs. In addition, the Department shall increase the use of prior authorization and lower dispensing fees to achieve savings within the Medicaid program.

11 High Tech Imaging Savings

(\$1,656,721) R

Reduces funds in anticipation of savings through better management of outpatient cardiac imaging services to avoid unnecessary utilization of these services.

12 CHIPRA Bonus

(\$14,000,000) NR

Reduces Medicaid funding to budget anticipated federal Children's Health Insurance Program Reauthorization Act (CHIPRA) bonus for Health Choice enrollment growth.

13 CCNC Home Health Initiatives

(\$4,455,457) R

Budgets savings anticipated from the implementation of a CCNC initiative that will manage home health care to ensure the provision of medically appropriate services.

14 Non-Emergency Medical Transportation

(\$1,000,000) R

Reduces state funds in anticipation of savings to be realized through improved management and oversight of Medicaid non-emergency medical transportation services.

(3.0) NC Health Choice**15 Health Choice Costs**

(\$1,919,704) R

Adjusts Health Choice budget to expected expenditure level for FY 2012-13. This adjustment is based upon the projected rate of consumption and mix of services. This adjustment should not impact the open-enrollment policy for the program. There are approximately 148,000 children enrolled in Health Choice.

16 Fee for Service Payments

(\$21,959) R

Reduces Health Choice budget to reflect expected savings that will result from fee for service payments which will be converted to all-inclusive or fixed rates for selected services.

17 Pharmacy Improvements

(\$17,936) R

Reduces the Health Choice budget to reflect savings that will be achieved through the implementation of a specialty pharmacy for hemophilia drugs.

18 CCNC Home Health Services Initiative

(\$47,831) R

Budgets savings anticipated from the implementation of a CCNC initiative that will manage home health care to ensure the provision of medically appropriate services.

(4.0) Division of Health Service Regulation**19 Nursing Home Licensure and Certification**

\$1,792,559 NR

Provides funds to replace lost receipts from civil fines and penalties assessed against nursing homes. Funds will be used for DHSR Nursing Home licensure staff positions.

(5.0) Division of Central Management and Support**20 Administrative Efficiencies**

(\$1,000,000) R

Reduces DHHS budget due to elimination of seat management funds, the elimination of positions vacant two years or more, reorganizations, and expired contracts.

21 Budget DOA Cost Allocation Receipts

(\$544,000) R

Replaces state funds due to the implication of a cost allocation plan for the Office of Property Construction and the Office of Public Affairs.

22 DIRM Contracts

\$5,599,390 R

Restores recurring State General Fund Appropriations for the Division of Information Resources Management (DIRM) for various contracts for Department-wide IT services.

23 ITS Refunds

(\$1,047,749) R

Reduces State General Fund Appropriation in anticipation of a reduction in costs for Information Technology Services (ITS). This reduction is based upon current year's charges to DHHS by ITS.

24 Vacant Positions

(\$1,500,000) R

Eliminates 50 vacant positions department-wide and, to the extent possible, minimizes the elimination of positions within the Division of State-Operated Healthcare Facilities. There are currently approximately 650 positions vacant within DHHS.

-50.00

25 Non-State Entity Pass-Through Funds

(\$8,826,367) R

Replaces \$8,826,367 in recurring special appropriation (pass-through) funds for the following non-state entities with non-recurring funds:

\$8,826,367 NR

North Carolina Senior Games, Inc. - \$121,481

ARC of North Carolina - \$305,598

ARC of North Carolina – Wilmington - \$51,048

Autism Society of North Carolina - \$2,941,818

The Mariposa School for Children with Autism - \$339,879

Easter Seals UCP of North Carolina - \$76,792

Easter Seals UCP of North Carolina and Virginia - \$1,542,647

ABC of North Carolina Child Development Center - \$366,703

Residential Services, Inc. - \$ 246,424

Oxford House, Inc. - \$200,000

Brain Injury Association of North Carolina - \$225,223

Food Bank of Central and Eastern North Carolina, Inc. - \$333,334

Food Bank of the Albemarle - \$333,334

Manna Food Bank - \$333,334

Second Harvest Food Bank of Metrolina, Inc - \$333,334

Second Harvest Food Bank of Northwest North Carolina, Inc. - \$333,332

Prevent Blindness NC - \$308,163

(6.0) Division of Social Services**26 Adoption Vendor Payments**

(\$2,025,649) R

Reduces funds for adoption vendor services through efficiencies gained by better program oversight by the Division of Social Services.

27 FMAP IV-E Child Welfare Services

(\$379,116) R

Increases State General Funds due to changes in the Federal Medical Assistance Percentage (FMAP). The change from 65.28% to 65.51% goes into effect in October of 2012.

28 Foster Care Efficiencies

(\$6,674,351) R

Reduces funds for the Foster Care Program due to a change in the case mix of foster care children in the care of the Division of Social Services.

(7.0) Division of Aging and Adult Services**29 Home and Community Care Block Grant**

\$1,500,000 NR

Increases funding for the Home and Community Care Block Grant (HCBG). This grant funds programs designed to allow seniors to live independently in their communities. Funding will provide services for 1,100 persons.

(8.0) Divisions of Services for the Blind and Services for the Deaf and Hard of Hearing**30 Budget Increased Telecommunications Receipts**

(\$168,336) R

Replaces state funds for the administration of the Division of Services for the Deaf and Hard of Hearing with receipts from the Telecommunications Relay Fund.

(10.0) Division of Mental Health, Developmental Disabilities, and Substance Abuse Services**31 Community Services Funding**

(\$10,000,000) NR

Continues non-recurring reduction to local management entities' (LME) community services funding for FY 2012-13. Approximately \$355 million in State general funds remain in the budget for LMEs to purchase community-based services

32 Federal Block Grant Funding

(\$227,000) NR

Replaces State General Fund Appropriations with federal Substance Abuse Prevention and Treatment Block Grant funds for Division of Mental Health administrative costs.

33 NCHSAA

(\$369,435) R

Eliminates a grant-in-aid for the NC High School Athletic Association (NCHSAA).

34 Three-way Contracts

\$18,150,000 R

Provides funding to increase the number of community hospital beds available to LMEs under the State-administered three-way contract from 141 to 232.

35 Local Management Entities (LME)

(\$8,497,935) R

Reduces the administrative budget for LMEs in anticipation of the savings to be achieved from the transition to managed care organizations (MCO). LME administrative funds will be provided as part of the capitation contract rather than on a per capita basis.

36 Cherry Hospital

\$3,472,954 R

Provides funding to support the increased bed capacity at the new Cherry Hospital, which is scheduled to begin operating in April 2013.

373.10

37 Broughton Hospital	\$3,513,000	R
Provides funding for 19 additional psychiatric care beds at Broughton Hospital.	58.00	
38 Drug Treatment Courts	(\$2,258,000)	R
Eliminates pass-through funding provided for drug treatment courts. S.L. 2011-145 eliminated funds budgeted to the Judicial Department for these courts.		
39 Mental Health Association, Inc.	(\$200,000)	R
Eliminates pass-through funding provided in 2008 for the Mental Health Association, Inc. This organization lost its accreditation in 2010 and no longer operates.		
(11.0) Division of Public Health		
40 Tobacco Cessation and Prevention		
Provides funding for tobacco cessation and prevention initiatives targeting children in grades K - 12.	\$5,455,956	NR
41 CheckMeds		
Provides funds to continue support for the CheckMeds Program which provides counseling on the correct use of prescription drugs.	\$1,695,379	NR
42 Medication Assistance Program		
Provides funds to continue support of the Medication Assistance Program which provides free prescription drugs to low-income, uninsured persons.	\$1,704,033	NR
43 Roanoke-Chowan Telehealth Network		
Provides funds to continue support for the Roanoke Chowan Telehealth Network. The Network delivers remote monitoring and chronic disease care management services to persons living in a medically underserved region of the State.	\$300,000	NR

44 County Health Departments

Provides funding to county health departments to start or continue community health and wellness initiatives that promote healthy behaviors, e.g. smoking cessation, nutrition, physical activities, disease prevention, school nurse positions, etc. This funding cannot be used to supplant existing funds being used for this purpose.

\$8,471,734 NR

45 Environmental Health Section

Provides for a technical correction reflecting the Type I transfer of the Division of Environmental Health from the Department of Natural and Economic Resources to the Department of Health and Human Services, Division of Public Health. This transfer was enacted during the 2011 Legislative Session via SL 2011-145.

\$4,053,329 R

105.50

S.L. 2011-145, Sec. 13.3

46 Maternity Homes

Increases State General Fund Appropriations to replace the loss of federal funds formerly provided for maternity homes.

\$375,000 NR

47 Early Intervention

Adjusts the budget for early intervention services based upon actual expenditures.

(\$2,500,000) R

48 Services for Rape Victims

Replaces lost federal block grant funding with State General Fund Appropriations for services to rape victims.

\$197,112 NR

49 High Risk Maternity Clinic

Provides funds for the East Carolina University High Risk Maternity Clinic.

\$375,000 NR

50 Health Department Accreditation

Eliminates funding for the UNC Institute for Public Health contract to provide state-based accreditation. This contract duplicates a national program available to county health departments for this purpose.

(\$300,000) R

51 State Public Health Lab and Office of Chief Medical Examiner

Provides funds for new positions and operating costs for the new State Public Health Laboratory and the Chief Medical Examiner's Office.

\$1,155,666 R

12.00

52 Environmental Health Regional Office Positions

\$221,109 R

Restores funding for transferred positions formerly located in DENR regional offices. This funding was made non-recurring in FY 2011-12 pending a Justification Review. Due to the FY 2011-12 transfer of the Division of Environmental Health to the Division of Public Health in the Department of Health & Human Services (DHHS), the restored salaries and benefits of positions formerly located in DENR regional offices are transferred from DENR to DHHS as follows:

3.00

60034273	Env Health Reg Spec	\$69,922
60034303	Env Health Reg Spec	\$67,812
60034278	Soil Scientist	\$83,375

S.L. 2011-145, Sec. 6.69(b)

53 Healthy Start Foundation

(\$433,923) R

Eliminates pass-through funding provided to the Healthy Start Foundation. These funds are not used to provide direct services.

Budget Changes	\$101,670,636	R
	\$60,999,677	NR
Total Position Changes	501.60	
Revised Total Budget	\$4,617,833,246	
