

M00M
Developmental Disabilities Administration
 Department of Health and Mental Hygiene

Operating Budget Data

(\$ in Thousands)

	<u>FY 12 Actual</u>	<u>FY 13 Working</u>	<u>FY 14 Allowance</u>	<u>FY 13-14 Change</u>	<u>% Change Prior Year</u>
General Fund	\$484,394	\$506,716	\$530,124	\$23,408	4.6%
Contingent & Back of Bill Reductions	0	0	-71	-71	
Adjusted General Fund	\$484,394	\$506,716	\$530,053	\$23,337	4.6%
Special Fund	1,095	13,054	4,246	-8,807	-67.5%
Adjusted Special Fund	\$1,095	\$13,054	\$4,246	-\$8,807	-67.5%
Federal Fund	360,343	369,640	415,666	46,026	12.5%
Contingent & Back of Bill Reductions	0	0	-8	-8	
Adjusted Federal Fund	\$360,343	\$369,640	\$415,658	\$46,018	12.4%
Reimbursable Fund	31	565	25	-540	-95.5%
Adjusted Reimbursable Fund	\$31	\$565	\$25	-\$540	-95.5%
Adjusted Grand Total	\$845,863	\$889,975	\$949,983	\$60,008	6.7%

- The Governor's fiscal 2014 allowance for the Developmental Disabilities Administration (DDA) increases by \$60.0 million, or 6.7%, over the fiscal 2013 working appropriation. Federal fund support increases by \$46.0 million, or 12.4%, and accounts for the majority of the increase allowance due to the annualization of fiscal 2013 waiver conversions. This results in lower general fund expenditures and higher federal fund expenditures in fiscal 2014.
- Special fund support decreases by \$8.8 million, or 67.5%, due to the removal of one-time Budget Restoration Funds.

Note: Numbers may not sum to total due to rounding.

For further information contact: Erin K. McMullen

Phone: (410) 946-5530

Personnel Data

	<u>FY 12 Actual</u>	<u>FY 13 Working</u>	<u>FY 14 Allowance</u>	<u>FY 13-14 Change</u>
Regular Positions	659.50	655.50	655.50	0.00
Contractual FTEs	<u>26.33</u>	<u>27.94</u>	<u>17.12</u>	<u>-10.82</u>
Total Personnel	685.83	683.44	672.62	-10.82

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	34.48	5.26%
Positions and Percentage Vacant as of 12/31/12	79.00	12.05%

- The fiscal 2014 allowance includes 10.82 fewer contractual full-time equivalents (FTE). Of these, 10.0 FTEs were assigned to the Secure Evaluation and Therapeutic Treatment (SETT) units.
- The agency currently has 79.0 vacant regular positions. Vacancies are most pronounced in the Holly Center (27.0), the Potomac Center (16.5), Program Direction (14.0), and Community Services (11.0).

Analysis in Brief

Major Trends

DDA Adopts New Survey to Determine the Satisfaction of Service Recipients: In fiscal 2013, DDA implemented a new tool – the National Core Indicators Survey – to determine the satisfaction level of DDA service recipients. DDA estimates that in fiscal 2013, 90% of individuals surveyed will express satisfaction in each of the five survey domain areas.

Community-based Services Continue to Be the Preferred Model of Service Delivery in DDA: One of the performance goals of DDA is to serve individuals in the community rather than in institutions. In fiscal 2012, 23,359 individuals were served in the Community Service program within DDA. The agency expects that number to increase to over 24,000 by fiscal 2013. In contrast, the average daily population at State Residential Centers in fiscal 2012 was 138 individuals.

SETT Units for Court-committed Individuals Reached Capacity in Fiscal 2011: DDA operates two facilities for court-committed individuals for short- and long-term treatment, called SETT units. Individuals are identified through the court system, and DDA is charged with providing appropriate treatment services. In fiscal 2012, both units remained near full capacity.

Federal Financial Participation: One of the performance goals for the agency is to increase matching federal funds claimed by the agency for individuals receiving services through the Home and Community Based Services waiver. In fiscal 2012, the federal financial participation rate increased 18.2% from the previous year's base. However, this measurement does not properly capture the agency's ability to maximize federal fund attainment.

Issues

Fiscal 2012 Waiting List Initiative: In the 2011 session, the legislature allocated \$15.0 million from a tax increase on alcoholic beverages to reduce the number of developmentally disabled individuals waiting for services from DDA. Ultimately, 286 individuals were removed from the Crisis Resolution category and placed into ongoing services. Moreover, a total of 1,172 individuals in the Crisis Prevention category of the waiting list received services of short duration.

Underlying Weaknesses in DDA's Payment System Hamper the Agency's Ability to Accurately Budget: During the fiscal 2011 closeout, various concerns were raised about the DDA's stewardship of funds, and additional concerns arose during the administration's fiscal 2012 budget closeout as the agency reported a \$5.4 million general fund deficit. Underlying weaknesses in the agency's provider payment system hampers DDA's ability to accurately budget within the Community Services Program. Furthermore, language in the fiscal 2013 budget bill withholds funds pending the receipt of a report on financial oversight within DDA.

DDA Plans to Reorganize to Increase Accountability and Compliance: Effective July 1, 2013, DDA plans to reorganize to improve accountability within the Community Services Program. Among other things, it is anticipated that the reorganization will increase oversight of Individual Plans, incorporate clinician involvement at the regional level, and redefine the role of DDA's regional offices.

Community Pathways and New Directions Medicaid Waiver Renewal: DDA currently operates two Home and Community Based waivers – Community Pathways and New Directions. In its renewal application, DDA is proposing to merge the two waivers to support seamless opportunities to transition both to and from traditional services and self-directed services; modernize and standardize service descriptions, provider qualifications, and reimbursement; and enhance quality and oversight.

Recommended Actions

1. Add language requiring a report on financial system changes in the Developmental Disabilities Administration.
2. Adopt committee narrative requiring the Developmental Disabilities Administration to report on Medicaid waiver enrollment in its annual Managing for Results submission.
3. Adopt committee narrative to require updates on the number of new placements within the Community Services program.

Updates

Supports Intensity Scale: For nearly three decades, DDA has been using the Individual Indicator Rating Scale to assess the level of need for individuals receiving DDA funded services. DDA is in the process of testing a new tool to assess need, called the Supports Intensity Scale.

Community Services Reimbursement Rate Commission: Oversight of developmental disabilities providers has decreased in recent years due to the suspension of the Community Services Reimbursement Rate Commission. The commission resumed its activities in October 2011 and submitted its annual report in September 2012.

Mortality and Quality Review Committee Annual Report: This update reviews the data contained in the annual report submitted by the Mortality and Quality Review Committee as requested by committee narrative in the 2012 *Joint Chairmen's Report*.

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Developmental Disabilities Administration
Department of Health and Mental Hygiene

Operating Budget Analysis

Program Description

A developmental disability is a condition attributable to a mental or physical impairment that results in substantial functional limitations in major life activities and which is likely to continue indefinitely. Examples include autism, blindness, cerebral palsy, deafness, epilepsy, mental retardation, and multiple sclerosis. The Developmental Disabilities Administration (DDA) provides direct services to these individuals in two State Residential Centers (SRC) and through funding of a coordinated service delivery system that supports the integration of these individuals into the community. Because the majority of the individuals served are Medicaid-eligible, the State receives federal matching funds for services provided to Medicaid enrolled individuals. Goals of the administration include:

- empowerment of the developmentally disabled and their families;
- integration of individuals with developmental disabilities into community life;
- provision of quality support services that maximize individual growth and development; and
- establishment of a responsible, flexible service system that maximizes available resources.

Performance Analysis: Managing for Results

1. DDA Adopts New Survey to Determine the Satisfaction of Service Recipients

The goal of the DDA Community Services (CS) program is to empower individuals with developmental disabilities to foster personal growth, independence, and productivity by accessing quality supports and services through the DDA system. Functional improvement and quality of life measures are crucial in determining whether or not DDA, through its community service providers, is achieving the stated goal.

In fiscal 2013, the agency implemented a new survey to determine the satisfaction level of DDA service recipients. The National Core Indicators (NCI) survey is a quality of life consumer interview and family survey used to establish a standard set of performance and outcome measures

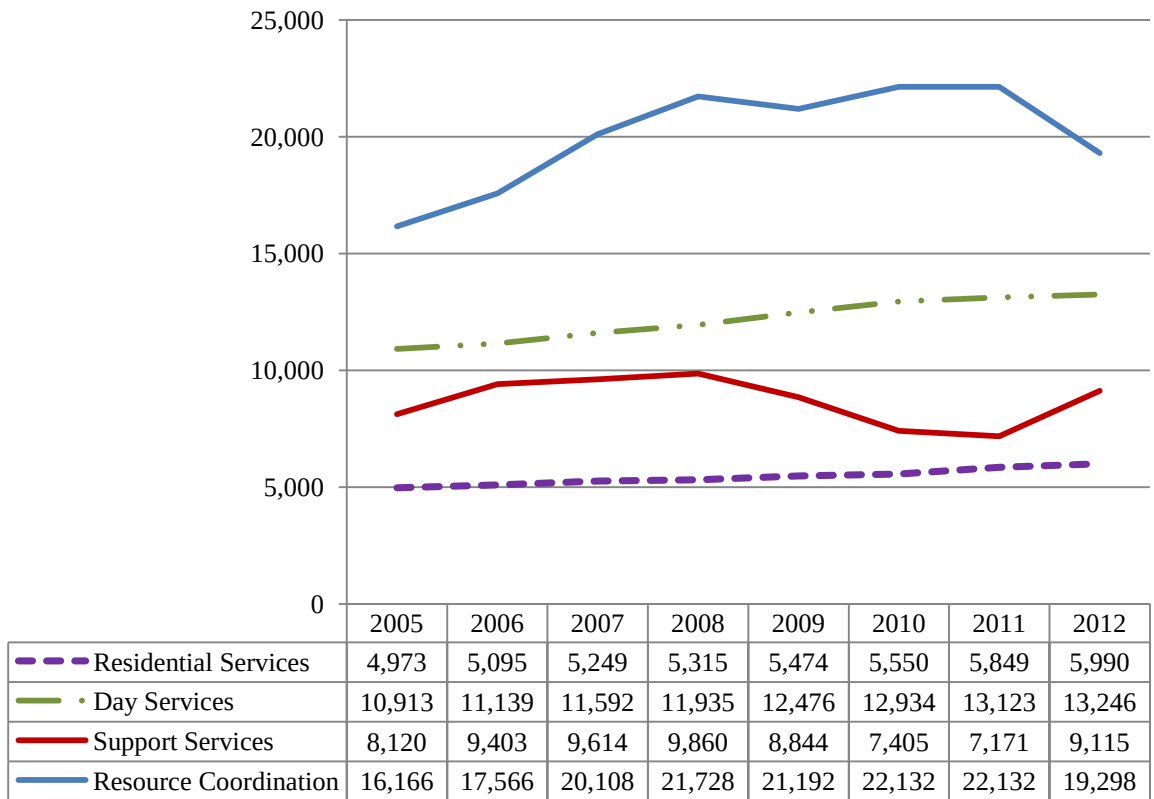
that an agency can use to track its own performance over time, to compare results across states, and to establish national benchmarks. The interview and surveys cover the following domains: individual outcomes; health; welfare, and rights; system performance; staff stability; and family indicators. The interview and survey are administered on a random sampling of individuals served and their families and/or guardians. The NCI is a voluntary State effort to measure how well public developmental disabilities systems serve and support people. DDA estimates that in fiscal 2013, 90% of individuals surveyed will express satisfaction in each of the five survey domain areas. It is important to note that reporting categories and baseline scores are unavailable at this point. With the submission of the fiscal 2015 (Managing for Results) MFR indicators, a new baseline will be set for which objectives can be measured against.

Prior to the adoption of the NCI, DDA utilized the Ask Me! Survey to gauge the satisfaction of individuals receiving community services. The Ask Me! Survey was administered by the Arc of Maryland and used self-advocates to collect information from individuals receiving DDA-funded support services from all Maryland community providers. A special audit on MFR Performance Measures was issued in February 2011 for measures used in the fiscal 2011 budget request. Of the 12 measures reported by the Department of Health and Mental Hygiene (DHMH), 4 measures were certified and 3 were certified with qualification. There were 5 measures that were considered to have factors preventing certification, including measures reported in the Ask Me! Survey. More specifically, the Office of Legislative Audits (OLA) found that there was a lack of independence over the gathering and processing of survey data, specifically that the contractor responsible for administering the survey was affiliated with several community providers, and DDA failed to review the survey methodology and data by the contractor. In response to the audit findings, DDA solicited a new contract for NCI with clearly defined deliverables, provider qualifications, staff training responsibilities, and interrater reliability to ensure data is accurate and complete.

2. Community-based Services Continue to Be the Preferred Model of Service Delivery in DDA

Another performance goal for DDA is to serve individuals in the community rather than in institutions. In fiscal 2012, 22,359 individuals were served in the CS program within DDA. The agency expects that number to increase to over 24,000 by fiscal 2013. The CS program offers a variety of services to individuals for residential, day, and support services. Examples of residential services include community residential services and individual family care. Examples of day services that provide activities during the normal working hours include day habilitation services, supported employment, and summer programs. Examples of support services include individual and family support, resource coordination, Community Supported Living Arrangements (CSLA), and New Direction – a waiver program that allows individuals to self direct their services. **Exhibit 1** shows the number of individuals receiving each of the major services. For purposes of this chart, resource coordination is shown separately from the support services category as all individuals in the system receive resource coordination.

Exhibit 1
Community Services
Fiscal 2005-2012



Source: Department of Health and Mental Hygiene

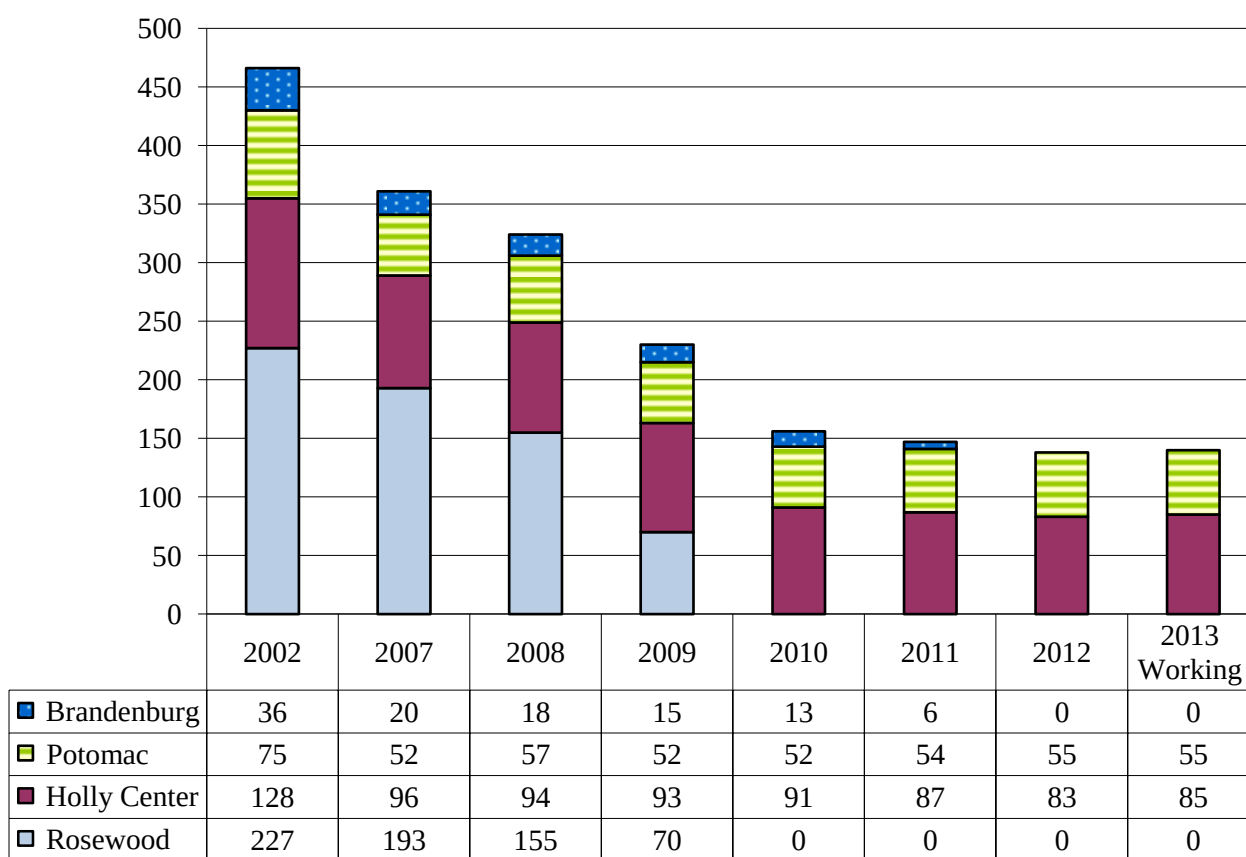
As Exhibit 1 shows, DDA provided residential services to 5,990 individuals, day services to 13,246, and support services to 9,115 in fiscal 2012. Individuals receiving services through DDA may receive more than one of the three basic services. Not captured in Exhibit 1 are behavioral support services provided to individuals to prevent re-institutionalization. The number of support services shown in the chart, decrease between fiscal 2008 and 2010 due to cost containment actions limiting general-funded support services.

Furthermore, in fiscal 2012, the number of individuals receiving resource coordination services declined by 13% over the previous year. In fiscal 2010, the Board of Public Works reduced funding for resource coordination by 15% on an ongoing basis. Subsequently, DDA modified its resource coordination contracts to limit resource coordination services to individuals served in facilities, those receiving community-based services, and those in the highest category of the waiting list. DDA advises this change continued to be felt in fiscal 2012.

State Residential Centers

DDA's mission is to serve individuals in the least restrictive setting. In most cases, this means serving individuals in the community instead of institutional settings. As a result, the number of individuals served in SRCs is far fewer than the number of individuals served in the community. The average daily population (ADP) has been steadily declining since fiscal 2005, as shown in **Exhibit 2**. In fact, there has been a 70% decrease in the ADP between fiscal 2002 and 2012. The decline is seen at all of the State's facilities; however, the closure of the Rosewood Center in fiscal 2009 and the Brandenburg Center in fiscal 2011 account for a majority of the decline.

Exhibit 2
Average Daily Population of State Residential Centers
Fiscal 2002-2013



Source: Department of Health and Mental Hygiene

3. SETT Units for Court-committed Individuals Reached Capacity in Fiscal 2011

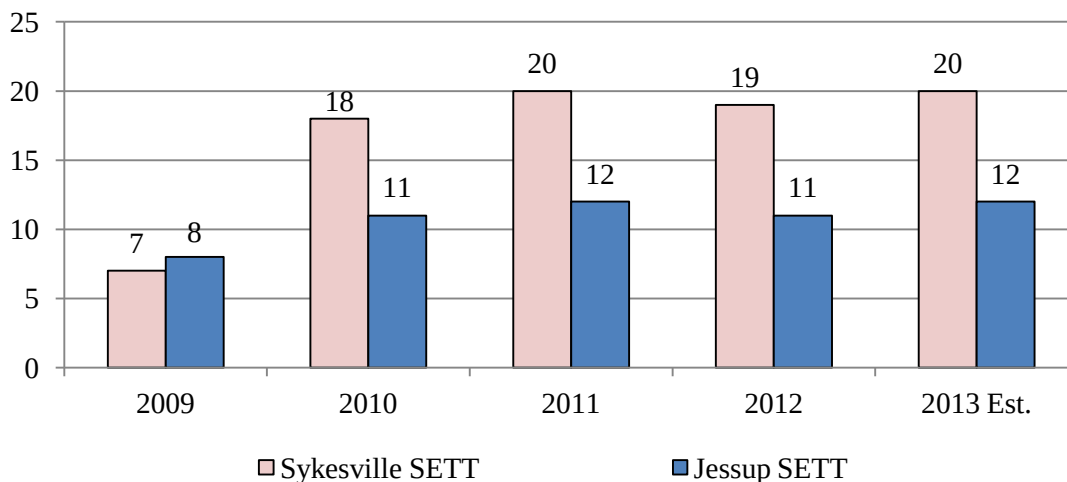
Beginning in fiscal 2009, DDA began to serve court-ordered individuals in specialized centers, called Secure Evaluation and Therapeutic Treatment (SETT) units, instead of in the existing SRCs. There are two SETT units operated by DDA – one for evaluation and short-term treatment and one for treatment on a long-term basis.

The therapeutic evaluation component is a secure unit on the grounds of the Clifton T. Perkins Hospital, named Jessup SETT unit. The unit was operational in July 2008 and houses a maximum of 12 individuals for 21 to 90 days. During the evaluation phase, DDA completes competency and behavioral evaluations and develops comprehensive service plans for individuals.

The therapeutic long-term treatment facility, Sykesville SETT unit, is a secure unit on the grounds of Springfield Hospital. The unit was operational in December 2008 and has capacity for 20 individuals who have been identified through the Jessup evaluation unit.

Exhibit 3 shows the ADP of each unit. As the chart shows, in fiscal 2011, the Jessup and Sykesville SETT were at full capacity. However, in fiscal 2012, the ADP in the Jessup and Sykesville SETT declined slightly. The agency advises that this is a result of increased efforts to serve a greater number of individuals in the community. In fiscal 2013, it is anticipated that both units will return to full capacity.

Exhibit 3
Average Daily Population of SETT Units
Fiscal 2009-2013



SETT: Secure Evaluation and Therapeutic Treatment

Source: Department of Health and Mental Hygiene

The Sykesville SETT is DDA's long-term care facility for the treatment of court-committed individuals, which can house and treat 20 individuals at a time. DDA indicates that there is no room to expand at the current facility. DDA received funds in the fiscal 2011 capital budget to begin planning and design of a new SETT unit to replace both Jessup and Sykesville, and the fiscal 2013 capital budget includes \$2.2 million for Phase II of the design process. During the 2012 legislative session, DHMH proposed to modify the scope of the SETT unit to serve a greater proportion of individuals in a community-based setting. However, the department could not advise what the appropriate bed capacity for the new SETT facility should be. Therefore, the fiscal 2013 capital budget includes language which restricts funding for Phase II until the department submits a report on the modified scope of the SETT unit. A more in-depth discussion of fiscal 2013 capital funding for the SETT unit will be included in the DHMH Capital Overview.

4. Federal Financial Participation

As shown in **Exhibit 4**, one of the performance goals for DDA is to increase matching federal funds claimed by the agency for individuals receiving services through the Home and Community Based Services waiver. Ultimately, the cancellation of special funds resulted in lower federal financial attainment in fiscal 2011. DDA's MFR submission indicates that in fiscal 2012, federal financial participation increased by 18.2% from the previous year's base. However, federal funds in fiscal 2012 are inflated as a result of numerous actions taken by the agency. As discussed in the Issues section of this document, DDA carried forward an additional \$13.3 million in federal funds into fiscal 2012. After accounting for the \$13.3 million federal fund surplus, in fiscal 2012, federal financial participation is growing by 12.0%.

Exhibit 4
Matching Federal Financial Participation for Individual's Enrolled in DDA's
Home and Community Based Waiver
Fiscal 2010-2014 (Estimate)
(\$ in Millions)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Estimate</u> <u>2013</u>	<u>Estimate</u> <u>2014</u>
Matching Federal Funds from Waiver	\$308	\$305	\$360	\$370	\$416
Percentage Increase Over Previous Year Base	3.80%	-1.00%	18.20%	2.60%	12.50%

DDA: Development Disabilities Administration

Source: Department of Health and Mental Hygiene

The Department of Legislative Services (DLS) advises that the current MFR submission by the agency does not appropriately gauge federal financial participation growth. Federal funds in the CS program will generally increase to the extent that additional general funds are expended on ongoing community-based services. In comparison, measuring waiver enrollment within the CS program would better illustrate the agency's ability to maximize federal fund attainment. **Therefore, DLS recommends that the committees adopt narrative to require DDA – in its annual MFR submission – to report the percentage of individuals within the CS program who are being served through a waiver.**

Fiscal 2013 Actions

The fiscal 2013 budget assumes a higher federal financial participation rate due to an initiative which requires all individuals seeking community-based services to apply for Medicaid. It is important to note that this practice is currently mandated by regulations. The *Code of Maryland Regulations* (COMAR) indicates that prior to the initiation of DDA-funded services, an individual must complete an application for Medical Assistance or other alternative funding. Furthermore, except in an emergency situation, or a case approved by the director of DDA because of extenuating circumstances, DDA may not fund services for individuals with State-only dollars unless the individual has been denied Medical Assistance and related alternative funding. Ultimately, this results in a \$10.5 million savings in general funds, replaced by \$10.5 million in federal funds.

When individuals currently receiving services funded entirely by the State transition to the Medicaid waiver, general fund costs to serve these individuals will decrease due to the availability of federal matching funds. In order for the full general fund savings to be realized, the majority of waiver conversions need to occur early in the fiscal year. Only partial savings will be realized for services that are converted in the third and fourth quarters of fiscal 2013.

As of January 22, 2013, year-to-date waiver conversions in fiscal 2013 have yielded \$5.3 million in general fund savings. This represents the conversion of 574 services. However, it is unclear whether the full \$10.5 million in general fund savings will be fully achieved in fiscal 2013. **The agency should comment on its progress in transitioning services to the Medicaid waiver, including whether the general fund savings assumed in the fiscal 2013 budget will be fully realized.**

As discussed in the Issues section of this document, actions taken through the supplemental budget reappropriated \$13.3 million of fiscal 2012 surplus general funds in fiscal 2013. These funds will be spent on the following:

- fiscal 2012 unfunded obligations (\$6.3 million);
- request for service changes (\$4.7 million);

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- funds owed to the Community Health Resources Commission (CHRC) for one-time infrastructure grants for community providers (\$1.1 million);
- fiscal 2013 costs for DDA’s major information technology (IT) project (\$0.9 million); and
- fiscal 2013 costs for emergency financial services (\$0.3 million).

Proposed Budget

The fiscal 2014 budget for DDA, as shown in **Exhibit 5**, totals \$950 million. This is \$60.0 million greater than the fiscal 2013 working appropriation. The majority of this increase is in federal fund support which increases by \$46.0 million, or 12.4%. General funds increase by \$23.3 million, or 4.6%, and special funds decrease by \$8.8 million, or 67.5%, due to the removal of one-time Budget Restoration Funds. Reimbursable funds decrease by \$0.5 million, or 95.5%. As discussed below, it is difficult to compare the fiscal 2013 budget for the CS program to the current year’s working appropriation because spending is growing by more than \$60.0 million.

Exhibit 5
Proposed Budget
DHMH – Developmental Disabilities Administration
(\$ in Thousands)

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
2013 Working Appropriation	\$506,716	\$13,054	\$369,640	\$565	\$889,975
2014 Allowance	<u>530,124</u>	<u>4,246</u>	<u>415,666</u>	<u>25</u>	<u>950,062</u>
Amount Change	\$23,408	-\$8,807	\$46,026	-\$540	\$60,087
Percent Change	4.6%	-67.5%	12.5%	-95.5%	6.8%
Contingent Reduction	-\$71	\$0	-\$8	\$0	-\$79
Adjusted Change	\$23,337	-\$8,807	\$46,018	-\$540	\$60,008
Adjusted Percent Change	4.6%	-67.5%	12.4%	-95.5%	6.7%

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Where It Goes:

Personnel Expenses

Employee retirement	\$693
Employee and retiree health insurance.....	523
Annualized salary increase.....	328
Workers' compensation premium assessment	83
Law enforcement officer's pension system.....	49
Other fringe benefit adjustments	-7
Miscellaneous adjustments.....	-10
Accrued leave payout.....	-15
Turnover adjustments.....	-186
Regular salaries	-305

Community Services

Additional funding for community-based services (see text)	27,855
Statutory rate adjustment for community provider, 2.46% (Chapters 497 and 298 of 2010)	21,340
Resource coordination funding	6,881
Annualization of fiscal 2013 placements (see text).....	686

State Residential Centers

Security services at SETT	323
Contractual nursing services at SETT	214
Food services at the Potomac Center	114
Utilities at the Potomac Center	66
Potomac Center (0.79 FTEs).....	58
Holly Center (-1.61 FTEs)	-21
SETT (-10.0 FTEs).....	-302

Other Changes

Funding for a financial consultant.....	1,224
Data analysis services at the Hilltop Institute	377
Support brokers training.....	25
Other.....	15

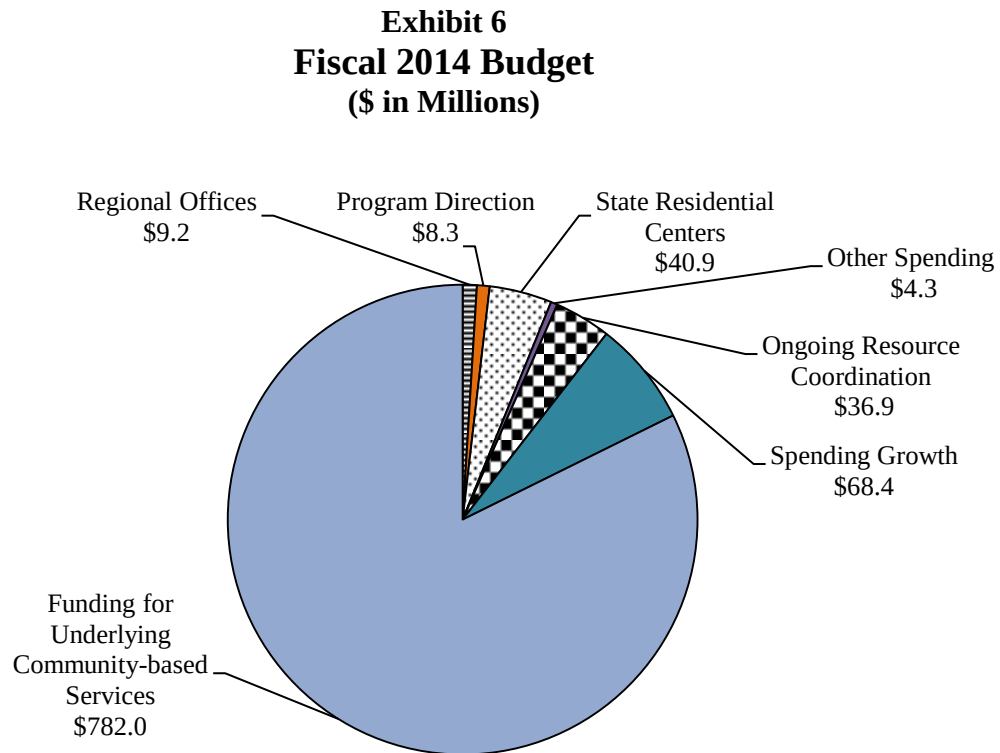
Total	\$60,008
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FTEs: full-time equivalents

SETT: Secure Evaluation and Therapeutic Treatment

Note: Numbers may not sum to total due to rounding.

Exhibit 6 provides a broad overview of how the DDA budget will be spent. Funding for underlying community-based services accounts for the majority of DDA funding at \$782.0 million, or 82%, of the agency's budget. Funding for the SRCs (\$40.9 million), ongoing resource coordination (\$36.9 million), the regional offices (\$9.2 million), program direction (\$8.3 million), and other spending (\$4.3 million) account for \$99.6 million of DDA's budget. The remaining \$68.4 million includes additional funding for spending growth within the CS program.

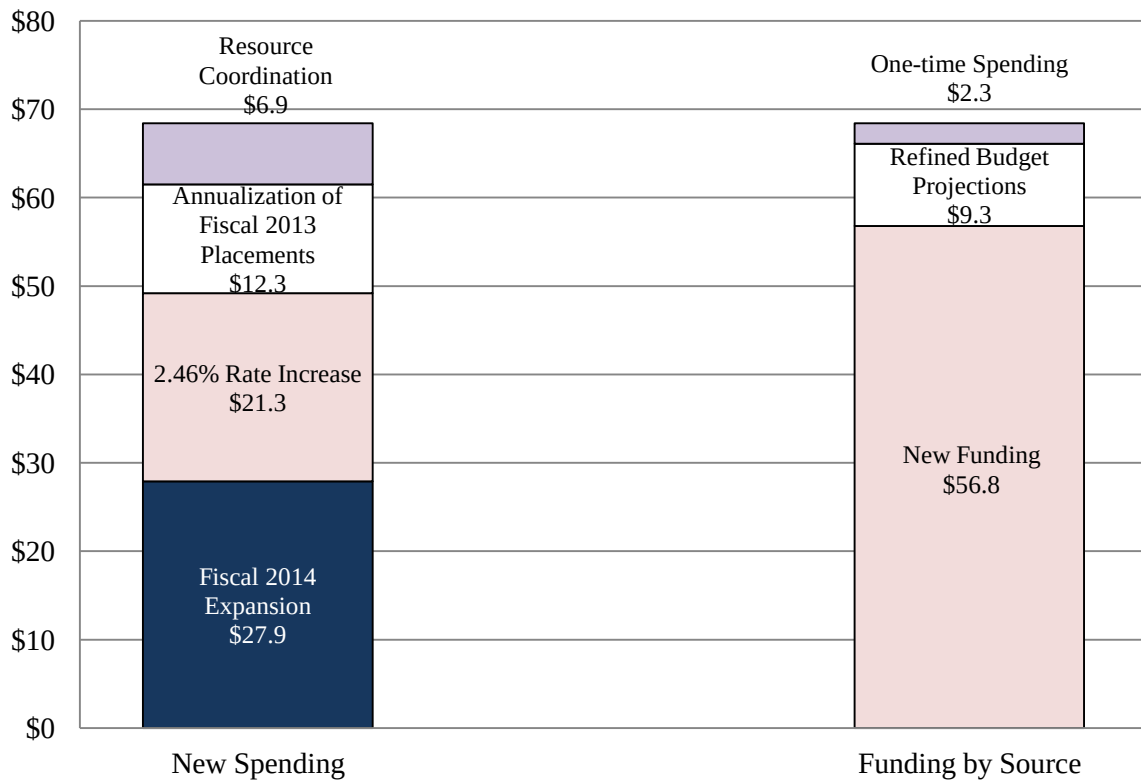


Source: Department of Health and Mental Hygiene

Exhibit 7 shows the amounts and source of funding for new spending initiatives within the CS program. Spending growth is attributable to four areas:

- fiscal 2014 expansion costs (\$27.9 million);
- a 2.46% rate increase for providers (\$21.3 million);
- the annualization of fiscal 2013 placements (\$12.3 million); and
- increased funding for resource coordination (\$6.9 million).

Exhibit 7
Fiscal 2014 Spending Growth
(\$ in Millions)



Source: Department of Health and Mental Hygiene

The sum of these four initiatives totals \$68.4 million. This spending is supported in three ways:

- new funding for the CS program (\$56.8 million);
- refined budget projections (\$9.3 million); and
- funding spent on one-time services through the fiscal 2013 supplemental appropriation that was not removed from the agency's budget in fiscal 2014 (\$2.3 million).

Personnel Expenditures

Overall, personnel expenses for DDA increase by \$1.5 million over the fiscal 2013 appropriation. Employee retirement contributions increase by \$693,000 due to underattainment in

investment returns, adjustments in actuarial assumptions, and an increase in the reinvestment of savings achieved in the 2011 pension reform. Furthermore, employee and retiree health insurance expenses increase by \$523,000. The annualization of the fiscal 2013 cost-of-living adjustment (COLA) for State employees increases the budget by \$328,000. Expenditures also increase for workers' compensation (\$83,000), and law enforcement pension contributions (\$49,000). These increases are offset by decreases in other fringe benefits (\$7,000), miscellaneous adjustments (\$10,000) and accrued leave payout (\$15,000). Turnover adjustments decrease the budget by \$186,000. This reflects increasing the existing turnover rate from 4.79 to 5.26%. Regular salaries also decrease by \$305,000 due to the annualized savings from previously abolished positions.

Community Services

Providing community-based services to individuals rather than in a facility setting continues to be the model of service delivery that DDA pursues. As the largest arm of the agency, the CS program experiences significant budgetary growth in fiscal 2014. Expenses related to community-based services for DDA clients increase by \$56.9 million, including funding to expand services, a rate adjustment for community service providers, and additional funding for resource coordination.

Fiscal 2014 Expansion

As shown in Exhibit 5, the budget includes an additional \$27.9 million for the expansion of services. Funds for expansion will be spent on the following:

- **\$9.3 Million for Transitioning Youth Program:** The Transitioning Youth (TY) Program identifies individuals graduating from the public school system, nonpublic school placements, and the foster care system who are eligible for DDA services such as supported employment. The program is intended to ease the transition of individuals into the DDA system. In fiscal 2013, DDA expects to serve 608 additional individuals through the program at a cost of \$9.3 million. The fiscal 2014 budget does not include funds for residential services for TY students unless a student's individual circumstances arise to an emergency level.
- **\$7.8 Million for Request for Service Change:** Individuals enrolled in one of DDA's Medicaid waiver programs can request an increase or decrease in services at any time.¹ The fiscal 2014 budget includes a new category of funding for requests for service change. As discussed in the Issues section of this document, an unanticipated increase in requests for service change led DDA to overspend in fiscal 2012.

¹ Individuals enrolled in the Medicaid waiver program are entitled to a review of their current services and needs at least once a year. If circumstances change during the course of the year, individuals can also submit a request for service change to the DDA regional office. Staff reviews the request, along with any supporting documentation, to make a determination. If a request is denied, the letter explains the individual's right to appeal and an explanation of the appeal process. Individuals receiving services through general funds only are offered the same avenue to review their current services but are not guaranteed any additional services should they be warranted. For these individuals, any additional service or service change is subject to the availability of funds in DDA's CS program.

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- ***\$5.8 Million for Crisis Services:*** Crisis services support individuals with the highest risk of crisis in Maryland. The DDA budget estimates that it will provide residential and day services to approximately 127 individuals (63.5 full-time equivalents (FTE)) in crisis situations in fiscal 2014.
- ***\$2.3 Million for Costs Associated with Emergency Services:*** Emergency services are provided when an individual becomes homeless, their caregiver passes away, or any other situation arises that threatens the life and safety of the individual. The DDA budget estimates that it will provide residential and day services to approximately 50 additional people (25 FTEs) in emergency situations in fiscal 2014.
- ***\$1.5 Million for the Waiting List Equity Fund Placements:*** The Waiting List Equity Fund (WLEF) is supported through investment earnings from the sale of properties owned by DDA as well as savings associated with the movement of an individual from institutional care to community care. The funds dedicated to the expansion of services for individuals on the waiting list account for \$1.5 million and are estimated to serve 40 individuals (20 FTEs) with residential services by the end of fiscal 2014.
- ***\$1.1 Million for Court Involved Placements:*** DDA is charged with serving individuals identified through the court system in either a community placement or at one of the SETT units. In fiscal 2014, DDA expects to serve 25 individuals (12.5 FTEs) referred by the courts and placed in a community setting at the cost of \$1.1 million.

Rate Adjustment for Community Service Providers

Chapters 497 and 498 of 2010 mandated a rate adjustment for community providers in DDA and the Mental Hygiene Administration (MHA) equivalent to the increase in the Executive Branch for certain cost centers. The fiscal 2014 allowance includes \$21.3 million for this rate adjustment in DDA's budget. This represents a 2.46% rate increase.

Resource Coordination

DDA provides resource coordination services to all individual participating in a DDA Medicaid Waiver Program, to individuals receiving State funded services, and to those on the waiting list. All waiver participants are Medicaid eligible, while the other two groups include people who are Medicaid eligible and non-Medicaid eligible. DDA funds resource coordination services through 15 entities, including 13 local health departments. The fiscal 2014 budget includes an additional \$6.9 million for resource coordination services. This funding reflects the transition from the current resource coordination service delivery methodology to Medicaid Targeted Case management for all Medicaid eligible clients and DDA rate-based service for non-Medicaid eligible individuals. DDA advises that this transition will standardize the scope of services, deliverables, and rates and increase federal financial participation.

Annualization Costs Associated with Placements in Fiscal 2013

Funding for the annualization of services has always been reported as new spending when comparing the allowance to the prior year's working appropriation; however, due to refined budget projections, DDA's base budget includes funding for the annualization of fiscal 2013 placements. In fact, the budget grows by only \$0.7 million for annualization costs resulting from the expansion of services in the previous fiscal year. Ultimately, the true cost of annualization accounts for \$12.3 million of DDA's total spending in fiscal 2014. When an individual is placed into services for the first time in fiscal 2013, the costs are included as part of the base of services for fiscal 2014. Annualization costs in the fiscal 2014 budget account for 50 individuals served through emergency placements (25.0 FTEs), 40 individuals served through WLEF placements (20.0 FTEs), 25 individuals identified by the court system to be served by DDA (12.5 FTEs), and 162 individuals placed through crisis services (81.0 FTEs).

While the fiscal 2014 allowance assumes 277 individuals will be placed into services in fiscal 2013, the number of year-to-date placements within the CS program totals 112. This includes 12 emergency placements, 16 WLEF placements, 6 court-involved placements, and 78 individuals placed through crisis services.

At the time of this writing, the State is in the third quarter of fiscal 2013; however, only 40% of the projected number of individuals have been placed into services. Therefore, it is unclear whether the agency is on track to place the remaining 165 individuals that it is budgeting for in fiscal 2013. Moreover, the agency advises that only 482 individuals have been placed through the Transitioning Youth program, while the fiscal 2013 budget assumes 608 individuals will be served through this program.

Funding for the expansion of DDA services has been a major priority of the Administration and the legislature. Based on the number of year-to-date placements, coupled with the growing number of individuals on the waiting list, it is of great concern that a higher proportion of individuals have not been placed into services at this time. Additionally, the difference between budgeted services and year-to-date placements makes it difficult to evaluate the budgetary needs of the program or to determine if expenditures are aligned with the appropriation. **Therefore, DLS recommends that the committees adopt narrative that requires DDA, for the first two quarters of the fiscal year, to submit monthly reports advising the legislature on the number of individuals placed into services from each of the following placement categories: emergency, WLEF, court involved crisis services, and Transitioning Youth. The number of requests for service change should also be reported, and to the extent possible, the costs associated with changes in service should be reported. During the second half of the fiscal year, reports should be submitted on a quarterly basis.**

State Residential Centers

Funding for contracted security services at SETT increases the budget by \$323,000. Additional funds are necessary to provide security services at both SETT facilities, including manning the sally ports, monitoring the facilities by security checks and cameras, and transportation

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services for individuals. This increase corresponds with the removal of \$302,000 for contractual security positions at both SETT units (10.0 FTEs).

Funding for contracted nursing services increases at the SETT units (\$214,000). DDA advises that SETT currently has 9 nursing positions for both SETT facilities; however, 13.6 FTEs are needed at the Sykesville and Jessup units. While the equivalent of 1.0 FTE will be achieved through overtime, an additional 3.6 FTEs are still needed. These additional funds will allow for an additional 3.0 FTEs (1.5 at the Sykesville unit and 1.5 at the Jessup unit).

Food service expenses at the Potomac Center increase by \$114,000 for the provision of dietary services in conjunction with Western Maryland Hospital Center. Utility expenses also increase by \$66,000. Funding for contractual positions at the Potomac Center (0.79 FTEs) increase the budget by \$58,000. These increases are offset by a \$21,000 reduction in part-time contractuels the Holly Center (1.61 FTEs).

Other Changes

The fiscal 2014 budget for DDA's Program Direction includes an additional \$1.2 million for financial consultant services. DDA plans to solicit a consultant to improve its budgeting and financial management processes. More specifically, the consultant will assist DDA with:

- establishing clear processes related to financial projections and reporting, standard operating procedures, and the creation of a fiscal management structure;
- establishing the organizational structure by which all provider issues will be handled in an efficient and timely manner; and
- assisting with financial matters related to the current federal waiver renewal.

Funding for technical assistance from the Hilltop Institute increases by \$377,000. The Hilltop Institute will provide analysis of demographic data on individuals served within the CS program. The analysis will also delineate expenditures by service type, sort service delivery by county or region, and outline key themes.

Budget Assumptions

As noted previously, the fiscal 2014 allowance assumes a higher federal fund attainment due to the annualized fiscal 2013 waiver conversions. Moreover, there are two initiatives in fiscal 2014 that result in \$6.4 million in general fund savings to the CS program:

- ***\$2.0 Million Due to Increased Fraud Investigations Among Developmental Disabilities Providers:*** The department advises that this savings is the result of an initiative between DDA and the Office of the Inspector General to target fraud within the developmental disabilities provider community. It is important to note that this is partially matched by \$1.9 million in federal funds.

- ***\$4.4 Million Due to Decreased Rates to Providers for Room and Board:*** For individuals receiving residential services in the community, the room and board component of the rate paid to a provider is funded with general funds only. Moreover, providers are required to supplement funds for room and board with private pay, also known as contribution to care.

The contribution to care is the portion of an individual's income that a person pays to a residential provider to offset the cost of room and board, and in some cases, the cost of care. In many instances, the contribution of care is derived from an individual's Supplemental Security Income (SSI). Contribution to care is calculated independently for each person taking into consideration the person's earned income. For residential services only, DDA must subtract from the payment made to providers, as appropriate, SSI contributions from an individual or other copayments. Subsequently, providers must assist an individual in obtaining SSI, if relevant, and collect all applicable copayment obligations while assuring that the individual retains their personal needs allowance.² This form must be submitted to DDA for all individuals receiving residential services. Moreover, the form must be updated when a person's earned or unearned income changes.

It is the responsibility of a provider to collect contribution to care from an individual or their representative payee. DDA advises that the payment of contribution to care should be clearly discussed with each individual. It should also be included in the provider's service agreement with an individual and/or their legal guardian. If an individual or their representative payee is not paying their contribution to care as required, providers are instructed to make a report to the Social Security Administration or other applicable benefits fraud unit.

² COMAR, 10.22.17.10

Issues

1. Fiscal 2012 Waiting List Initiative

In the 2011 session, the legislature appropriated an additional \$15 million to DDA for fiscal 2012 based on its concern over the lack of services available to meet the demand from individuals with developmental disabilities. Funding was provided through Chapter 571 of 2011, which increased the State sales and use tax rate imposed on alcoholic beverages from 6 to 9% and required a supplementary appropriation of \$15 million for DDA to fund services to individuals on DDA's waiting list. Specifically, funding had to be used to assist individuals in the Crisis Resolution and Crisis Prevention categories of the waiting list.³ The \$15 million supplementary appropriation was also partially matched by federal funds based on the number of individuals served in the Crisis Resolution category.

Ultimately, in fiscal 2012, DDA spent an additional \$18.0 million in general funds and \$5.0 million in matching federal funds to serve those on the waiting list, exceeding its \$15.0 million general fund appropriation by \$3.0 million. As shown in **Exhibit 8**, DDA used \$12.1 million to place individuals in the Crisis Resolution category into ongoing services, doubling the number of placements over fiscal 2011. All individuals in the Crisis Prevention category of the waiting list were eligible for up to \$10,000 in one-time assistance for Services of Short Duration (SSD). DDA used \$10.9 million to provide SSD to 1,172 individuals in the Crisis Prevention category.

DDA was able to increase placements due to the implementation of an expedited process of initiating services. This new process streamlined the initial assessment of needs, the individual plan development, and the funding process. DDA also implemented new procedures to review challenging cases at the department level and coordinated additional supports through various service delivery systems, such as mental health services, to meet unique needs.

It should be noted that due to increased outreach efforts by DDA, more people came onto the waiting list in fiscal 2012 than in fiscal 2011. In total, 322 people were added to the Crisis Resolution category in fiscal 2012, compared to 163 in fiscal 2011. Similarly, 667 people were added to the Crisis Prevention category in fiscal 2012, as compared to 588 in fiscal 2011. As of January 15, 2013, 87 people were in the Crisis Resolution category, and 1,327 people remained in the Crisis Prevention category.

³ The DDA waiting list is comprised of adults and children with developmental disabilities who are waiting to obtain DDA-funded community-based services within the next three years. Prior to placement on the waiting list, an individual must be determined eligible for DDA funding based on definitions found in State law. Once determined eligible for DDA funding, the individual is placed on a waiting list which is broken down into three priority categories: Crisis Resolution, Crisis Prevention, and Current Request. Individuals in the Crisis Resolution category are in need of immediate ongoing assistance, while those in the Crisis Prevention category are in need of one-time funding and are considered at risk of going into crisis in the next year. Individuals within the Current Request category include those who are not considered at risk.

Exhibit 8
Individuals Who Received DDA Services through the Alcohol Tax
July 1, 2011, through June 30, 2012

	<u>Crisis Resolution</u>	<u>Crisis Prevention</u>	<u>Total</u>
Placements	286	1,172	1,458
General Fund Costs (\$ in Millions)	\$7.1	\$10.9	\$18.0
Federal Fund Costs (\$ in Millions)	\$5.0	\$0.0	\$5.0

Source: Department of Health and Mental Hygiene

2. Underlying Weaknesses in DDA’s Payment System Hamper the Agency’s Ability to Accurately Budget

Fiscal 2011 Budget Closeout and the 2012 Legislative Session

During the fiscal 2011 closeout process, DHMH learned that there was a \$38.3 million surplus because DDA was inappropriately charging expenditures to the prior fiscal year to avoid reverting funds to the State’s general fund. Of this surplus, the agency reverted \$25.7 million in prior year funds. Instead of reverting the remaining \$12.6 million in general funds, the agency decreased federal fund expenditures by \$12.6 million and increased general fund spending by the equivalent amount, allowing DDA to carry forward an estimated \$12.6 million in unspent federal funds into fiscal 2012. Furthermore, \$3.3 million in special funds was cancelled in fiscal 2011 as DDA failed to utilize monies available under the WLEF and prior year grants.

After reviewing actual federal fund expenditures for fiscal 2011, in March 2012, DHMH reported that the actual amount of the surplus carried forward into fiscal 2012 was \$13.3 million. Based on its budget projections, DHMH concluded that DDA would not be able to spend its full appropriation. Therefore, actions taken through the supplemental budget reappropriated the \$13.3 million of surplus funds in fiscal 2013.

Other actions were also taken in order to prevent the reversion of general funds in fiscal 2012. For instance, the Budget Reconciliation and Financing Act (BRFA) of 2012, for fiscal 2012 only, authorized DHMH to transfer up to \$5.0 million in unexpended funds to a dedicated account for specified uses in fiscal 2013 within the CS program of DDA and Office of Health Care Quality (OHCQ). Furthermore, a total of \$4.6 million was transferred by budget amendment to CHRC for one-time infrastructure grants for developmental disability providers.

Fiscal 2012 Budget Closeout

Ironically, after taking the actions noted above to move general funds out of fiscal 2012 into fiscal 2013, DDA reported a \$5.4 million general fund deficiency. The department identified the following reasons as to why a deficit developed in the CS Program:

- ***A Surge in SSD Requests at the End of the Fiscal Year Led the Agency to Exceed Its \$15.0 Million Supplemental Appropriation Under the Alcohol Tax*** – In fiscal 2012, all individuals in the Crisis Prevention category of the waiting list were eligible for up to \$10,000 in one-time assistance for SSD. SSD requests averaged \$1.1 million monthly from December 2011 to May 2012; however, SSD requests for June 2012 totaled \$4.3 million. DDA did not anticipate this spike in SSD expenditures. In total, DDA expended \$10.9 million on SSD and \$7.1 million on placements from the Crisis Resolution category of the waiting list for a total of \$18.0 million on the 2012 Waiting List Initiative. Therefore, DDA exceeded its supplemental appropriation by \$3.0 million.
- ***Requests for Service Change for Additional Services Exceeded Attrition Expectations*** – Individuals enrolled in one of DDA’s Medicaid waiver programs can request an increase or decrease in services at any time.⁴ In fiscal 2012, DDA did not anticipate a spike in Requests for Service Change, resulting in a \$2.4 million deficiency.

Since closeout, the agency has identified an additional \$0.9 million in general fund unfunded obligations in the CS program, increasing the general fund deficit to \$6.3 million. It is important to note that the general fund deficit is partially matched by a federal fund deficiency of \$3.4 million. Based on federal fund attainment, the general fund shortfall may fluctuate. DHMH advises that the fiscal 2013 supplemental appropriation will be used to cover fiscal 2012 unfunded obligations.

DLS advises that DHMH’s attempts to prevent the reversion of general funds, and the outcome of the fiscal 2012 budget closeout, highlights DDA’s inability to accurately budget despite changes in fiscal oversight.

Changes in DDA’s Fiscal Oversight

In October 2011, the Office of the Inspector General (OIG) at DHMH, issued a report that confirmed the fiscal 2011 budget reversion and commented on the underlying causes of DDA’s underspending. Among other things, the following findings were noted:

- the current DDA provider payment system is out of date, creating underlying weaknesses in the agency’s financial accounting system; and
- no one within DHMH, outside of DDA, has a full understanding of DDA funding, programmatic, regulatory, payment, or financial accounting systems.

⁴ COMAR, 10.22.12.11

Due to the size of DDA's budget, OIG recommended that DHMH consider options for reconfiguring the DDA fiscal support structure including a new system for generating and monitoring provider service delivery data and payment reconciliations. Furthermore, it was noted that a new fiscal structure should ensure accurate and efficient accounting and could be facilitated by contracting with an administrative service organization similar to that utilized by MHA.

In response to OIG's recommendations, DHMH has taken several steps to improve fiscal oversight within DDA. In April 2012, DDA awarded a contract to a forensic auditor to determine how long the agency was underspending. In October 2012, the forensic auditors provided a report to the agency that outlined the historic and systemic issues with the prospective payment system and the lack of supporting documentation for accruals. However, the forensic audit is still being conducted. DHMH advises a final report will be completed in six to eight weeks. Furthermore, the agency has implemented new fiscal policies to improve budget projection methodology by increasing coordination with DHMH's budget office and the department's General Accounting Division. A new deputy chief financial officer (CFO) was also hired, and the agency has realigned all regional fiscal directors under the leadership and management of the new CFO to improve fiscal consistency, accountability, and responsibility within DDA. While these corrective actions have been made to improve financial oversight, the fiscal 2012 deficiencies indicate that these changes have not resolved the agency's budgeting issues and underscore OIG's concerns regarding the provider payment structure.

Underlying Weaknesses in DDA's Payment System

DDA's current payment system was adopted in 1987 after DHMH was instructed by the General Assembly to develop an alternative to the agency's quarterly grants system and was subsequently codified in calendar 1994. The payment system has two components: (1) the client component, or the cost of direct care to clients; and (2) an administrative component.

The rate paid to a provider results from the integration of the client component and the administrative component.⁵ The payment system works by estimating the costs that a provider will incur in the coming fiscal year to serve their clients. DDA pays these costs to providers up front (prospectively). Providers then submit documentation of their expenses, and at the end of the year, DDA and providers reconcile actual costs with the prospective payments using the provider's audited cost reports. If actual costs were less than the prospective payments, a provider reimburses DDA; if actual costs were greater than the prospective payments, DDA reimburses the provider.

A major component of DDA's recent budgeting inaccuracies is inherent to the prospective payment process. This problem will continue to affect the agency until a new payment system is

⁵ Prior to fiscal 2001, providers were reimbursed for administrative expenses based on actual costs. Providers who had higher administrative expenses were rewarded with higher reimbursement. Meanwhile, providers who trimmed administrative costs were penalized with lower reimbursement rates. As a result of this inequity, DDA replaced this cost-based methodology with a flat-rate methodology that was phased in over three years and fully implemented in fiscal 2001. The current payment system now reimburses providers for administrative costs based on the average cost for all providers.

adopted. Since payments are issued one quarter in advance, there is always the possibility that the payment will differ from actual expenses. Thus, DDA will have always overpaid or underpaid providers at the close of the year.

Indeed, DDA has encountered difficulties budgeting since the current payment system was adopted. A deficit first appeared in DDA's budget in fiscal 1988, when expenditures exceeded appropriations by \$1.2 million. Initially, deficits occurred in both institutional and community service programs. By fiscal 1992, the institutional deficits had been resolved, but deficits in the CS program persisted. The deficit rose, reaching a cumulative high of \$28.0 million by fiscal 1993. The source of the deficit was a combination of general fund expenditures claimed against insufficient federal fund receivables and the over expenditure of general funds. Billing errors and insufficient budgeting also contributed to the accumulated deficit. At the time, OLA noted that federal fund receivables were overstated, or had been recorded without basis, or based primarily on unrealistic projections.

While the deficit in the CS program was resolved in fiscal 1994, in fiscal 1997, DDA continued to experience difficulties budgeting. In a February 9, 1998 letter to the Executive Director of DLS, OLA identified \$11 million in federal fund accrued revenues that could have been applied to finance expenditures that were charged to general fund appropriations. The auditors indicated that DHMH had failed to properly identify that portion of its fiscal 1997 expenditures that was eligible for federal reimbursement. Following a recommendation of legislative auditors, DDA established a dedicated purpose account for a total of \$20 million in federal funds that were received at the end of fiscal 1997. These monies should have been used in place of general funds. Ultimately, these funds helped finance a six-year Waiting List Initiative.

In fiscal 1998, DDA continued to experience a surplus as \$17.0 million in total funds was cancelled or reverted. DHMH advised that \$9.0 million of the surplus was related to overestimation of budgeted expenditures. Furthermore, the inherent problems with DDA's payment system and fiscal management issues were identified as a contributing factor to the surplus. Similarly, in fiscal 1999, the agency also failed to spend \$1.5 million in general funds, \$0.6 million in special funds, and \$3.0 million in federal funds for the appropriation in community services. These funds either remained unspent at the end of the fiscal year or were transferred to other areas of DDA and DHMH. Surplus funds were a result of lower than expected utilization rates for residential and day services.

Despite DDA's fiscal history and numerous audit findings, the weaknesses in the agency's budgeting system have received less attention due to numerous executive and legislative priorities. For instance, a six-year Waiting List Initiative began in fiscal 1999, after several years of budget surpluses. Similarly, Chapters 109 and 110 of 2001 required DHMH to increase the rate of reimbursement for community service providers to eliminate the wage disparity between State and private direct-service workers. In total, \$81 million was appropriated through the Wage Initiative from fiscal 2003 to 2007. These efforts to increase funding, however, have masked the underlying problems with the DDA payment system and fiscal oversight capability. Indeed, it can be argued that the additional funding and the desire of all parties to see additional spending in the DDA system

prompted fiscal decisions to preserve DDA funding, which led to the recent budget conditions in the fiscal 2011 and 2012 closeouts.

Efforts to Change the Payment System

DHMH has indicated that until DDA's payment system changes, the agency will continue to encounter difficulties when forecasting DDA's expenditures throughout the fiscal year. The BRFA of 2011 proposed to change the payment schedule for community providers from a quarterly prospective payment schedule to a monthly retrospective payment schedule with a small amount of upfront funding, but this change would have required additional staff to process the monthly claims, creating an administrative burden for both community providers and DDA.

While the change to a retrospective payment system would have been a logical way to process DDA community provider claims, it was unclear whether the proposed change was weighed against provider solvency concerns. The Community Services Reimbursement Rate Commission (CSRRC) is tasked with independently monitoring community providers with a particular emphasis on rates paid to providers, wage rates of direct care workers, measurement of quality and outcomes, the solvency of providers, and consumer safety costs. The commission would have been the appropriate body to evaluate the effect of such a payment change, but it had been inactive since April 2009. In its 2009 *Annual Report*, CSRRC found that 34.0% of providers had negative margins in fiscal 2007, and the average operating margin for all providers was only 1.6%. Since CSRRC was inactive, these solvency issues had not been addressed when the BRFA of 2011 provision was introduced by the Administration. Therefore, DLS recommended against this provision, and it was not adopted. It is important to note that CSRRC did resume its activities in October 2011.

The 2012 JCR withheld \$1.0 million of the agency's appropriation, and instructed DHMH to submit a report on financial oversight in DDA by December 1, 2012. Specifically, the budget bill language required DHMH to advise the committees of DDA's options to reconfigure its fiscal structure based on the recommendations of an independent consultant. By letter dated January 22, 2013, DHMH requested the release of funds; however, DLS advises that the letter's contents do not satisfy the requirements as set forth in the JCR.

2012 Joint Chairmen's Report on Financial Oversight in DDA

DLS raises the following issue with respect to the agency's request for the release of funds: the letter submitted by DHMH does not include options to reconfigure DDA's fiscal structure. Instead, the letter discusses the agency's progress is soliciting a consultant to conduct a thorough review of DDA's current financial payment system. In order to procure a consultant to conduct such a review, DDA and DHMH solicited bids from a pre-qualified list of vendors through the Department of Information Technology. This initial method for procuring a consultant did not generate any bidders for the contract, and a standard request for proposal (RFP) was issued.

The consultant selected through the RFP is to provide recommendations for a new financial services platform, with a focus on current payment methodologies; interface with Medicaid payment platform; interface with service providers; and determine the viability of the current DDA data

platform for the next 10 years. DLS would note that the initial planning of this project began in January 2012. As a result, it was not designated as a major IT development project in the 2012 session and was presented to DLS as an out-of-cycle project in December 2012 prior to the award of a contract for the initial phase of the project. The award was made in January 2013 to Alvarez and Marsal Public Sector Services, LLC.

DDA advises that a consultant began working in January 2013, and will be providing regular updates to DDA on recommendations for improving its current financial management system. The consultant is also tasked with developing the specifications for a second RFP that DDA will be issuing next fall to procure a modern financial management system, which will address the major underlying inefficiencies of both the payment and revenue systems. According to the IT project request, the projected completion date for the planning portion of this project is October 2013 – at which point the requirement analysis will be completed and a project completion date will be determined. It is important to note that the fiscal 2014 budget for DHMH Administration includes an additional \$440,000 in federal funds to support the planning for the development of a new financial platform for DDA. An additional \$592,000 in general fund support is budgeted in the Major Information Technology Development Fund.

While funding for DDA clients has been a major priority for both the Administration and the legislature in the past decade, with numerous funding initiatives that have significantly increased the resources available to this vulnerable population, lack of adequate financial oversight and an antiquated payment system have recently deflected attention away from the progress that has been made in terms of increased resource availability. DHMH is aware of the need to improve that oversight and payment system, and some changes have been made, but as of yet, no fundamental financial reform proposals are in hand to do so. **Therefore, DLS recommends that the budget committees deny the department's request for the release of funds.**

Moreover, DLS is recommending that the committees add budget bill language that restricts \$1,000,000 of the agency's fiscal 2014 appropriation until the department submits a report that summarizes the requirements analysis for DDA's major IT project for the financial restructuring of the agency's existing system. The report should:

- **summarize the recommendations made by the independent consultant for the draft specifications to solicit the modification or replacement of the agency's existing financial platform;**
- **advise how the new system will address the major underlying inefficiencies of the agency's current payment system;**
- **identify any barriers to adopting a new financial management system, including statutory or regulatory barriers; and**
- **update the committees on its progress in creating a new fiscal management structure.**

3. DDA Plans to Reorganize to Increase Accountability and Compliance

DHMH has indicated that it plans to reorganize DDA effective July 1, 2013, to improve accountability within the CS program. In fiscal 2013, DDA has intentionally left positions in Program Direction and the CS program vacant with plans to fill these positions after the agency reorganizes. Among other things, it is anticipated that the reorganization will include the following changes:

- prospective and retrospective reviews of Individual Plans (IP) and service funding plans;
- increased clinician involvement at the regional level; and
- redefining the responsibilities of DDA's four regional offices.

Reviews of IPs and Service Funding Plans

DDA provides resource coordination services to all individuals participating in a DDA Medicaid Waiver program, individuals receiving State-funded services, and those on the waiting list. Resource coordination agencies have numerous mandated responsibilities that are defined by COMAR, including the development and implementation of IPs for DDA clients. An IP is a single plan for the provision of all services and supports, including non-DDA-funded services. It is outcome-oriented and is intended to specify all assessments, services, and training needed for DDA clients. Among other things, an IP should contain measurable goals and strategies to work toward an outcome. Furthermore, IPs must be reassessed annually.

A service funding plan serves as the official request for funding from DDA for all service types. Providers complete the service funding plan for each individual who has chosen to receive services through their agencies. After review by a resource coordinator and the client, this form is submitted to the appropriate regional office for consideration. Providers are encouraged to consult with regional office staff as appropriate throughout the development of any service funding plan. A service funding plan includes the following:

- the consumer and provider's information, including an individual's medical assistance status;
- a summary of the client's current situation, including their age, diagnosis, and history, as well as what services are being requested;
- the proposed services requested;
- the specific description of the proposed services including start-up and one-time-only services;

- a cost description of the services being requested, including any add ons; and
- the signatures of the provider representative, resource coordinator (if applicable), and the client or their representative.

In a letter to providers on February 6, 2012, DDA noted that it is important for resource coordinators, providers, and regional offices to review, monitor, and track IPs to determine if they are meeting an individual's needs. IPs must also be reviewed for compliance with federal and State requirements, including Medicaid waiver programs. Furthermore, the letter noted that DDA regional offices have requested and reviewed IPs developed from July 1, 2011, to the present. While these measures are important to ensure that IPs are appropriate for a given individual, recent audit findings indicate a lack of oversight regarding resource coordination providers.

More specifically, OLA audited OHCQ for the period beginning February 1, 2008, and ending August 2, 2010. The audit revealed that OHCQ had not performed inspections for any of the 15 resource coordination agencies responsible for developing appropriate individualized plans for developmentally disabled individuals. DHMH inspections would include reviews of the adequacy of these plans. Similar situations were commented on in OHCQ's two preceding audit reports. Furthermore, OHCQ has advised that it has not done a dedicated survey of resource coordination providers since 2006. Instead, OHCQ will survey resource coordination entities based on a complaint filed or at DDA's request. All individuals receiving ongoing funding from DDA are required to have a comprehensive individual plan, and inspection of resource coordination agencies is necessary to ensure that individual plans for DDA clients are appropriate.

As a part of the agency's reorganization, the department advises that it plans to reclassify vacant positions to dedicate staff resources to IP and service funding plan reviews. Such reviews would be prospective and retrospective to improve compliance and oversight within the current system.

Increased Clinician Involvement at Regional Level

DHMH advises that the level of clinician involvement within the regional offices is minimal as only one regional office has a psychologist on staff. Consequently, when approving IPs and requests for service change, regional staff are unable to consult a clinician to determine whether changes in services are appropriate. DDA aims to increase clinician involvement at the regional level to address this oversight. This may involve reclassifying current vacancies to allow for a clinician's presence at all four of DDA's regional offices or transferring the psychologist position to DDA's Program Direction.

Redefining Responsibilities of DDA's Regional Offices

Presently, DDA's regional offices are responsible for administrative oversight, coordination, and management of DDA-funded community-based services. Regional teams establish individual

eligibility and control, access to services, manage available funding, and monitor service provision to ensure quality of services. Moreover, add ons are negotiated at the regional level with each provider. Add ons are meant to accommodate temporary needs for unique or more intensive supports but they can be extended. A substantial portion of DDA clients require add ons. Subsequently, this has resulted in inconsistencies across regions. Therefore, the department plans to reassess the duties of the regional offices and determine whether certain responsibilities need to be transferred to Program Direction.

4. Community Pathways and New Directions Medicaid Waiver Renewal

A state must apply to the federal Centers for Medicaid Services (CMS) through a Home and Community Based Service waiver application for permission to operate a waiver program. Within broad federal guidelines, states can develop waivers to meet the needs of people who prefer to get long-term care services and supports in their home or community, rather than in an institutional setting. Furthermore, states can request to provide specific services and supports through the Medicaid waiver program. Standard services include, but are not limited to case management, homemaker, home health aide, personal care, adult day health services, supported employment, day habilitation, residential habilitation, and respite care. States can also propose other types of services that may assist in diverting or transitioning individuals from an institutional setting into the community. It is important to note that waiver programs are required to be renewed every three or five years.

DDA operates two Home and Community Based Service waivers: (1) Community Pathways, and (2) New Directions. Community Pathways and New Directions were originally approved in 1984 and 2005, respectively. Community Pathways covers services such as residential, community-supported living arrangements, day, and supported employment services. It also covers family and individual support services to eligible individuals. The New Directions waiver is for individuals living in their own homes or with their families, who want to self-direct their services. New Directions provides a variety of services, including, but not limited to, support services and supported employment services. Clients served under New Directions have an individual budget, and through a Fiscal Management Service and a support broker, an individual manages their budget, hires and supervises their own staff, and makes decisions about how their services will be provided. The Fiscal Management Service pays the individual's bills, handles tax paperwork, and provides monthly budget statements. In comparison, the support broker helps a client navigate the system and acts as an advocate for the client. DDA received a five-year renewal for both Community Pathways and New Directions that ends June 30, 2013.

A renewal application is due to CMS by April 1, 2013. At the time of this writing, DHMH is still in the process of finalizing its waiver application and determining a service package. Once the service package is finalized, DHMH will have to draft new regulations to conform to the new waiver. In its renewal application, DDA is proposing to merge the Community Pathways and New Directions waivers to:

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- support seamless opportunities to transition both to and from traditional services and self-directed services;
- modernize and standardize service descriptions, provider qualifications, and reimbursement; and
- enhance quality and oversight.

Although the waiver application is not yet final, the department has advised that all existing waiver services from both programs will continue to be provided with the exception of resource coordination. As mentioned previously, DDA is in the process of transitioning the current resource coordination system to targeted case management. This transition will standardize the scope of services, define provider qualifications, deliverables, and rates; and increase federal financial participation. The transition will support resource coordination services for all people receiving ongoing funding for services, all people on the DDA waiting list, and people transitioning from an institutional setting, regardless of whether they are on the waiver or eligible for Medicaid. Resource coordination services will be moved out of the waiver and provided under another Medicaid authority as a DDA rates service. DDA advises that this change will allow more individuals to receive resource coordination services.

Potential Impact of New Service Descriptions

DHMH advises that under the current waiver, service descriptions are very broad. In order to address this issue through the waiver application, service descriptions will be clarified. For instance, under the current waiver, supported employment includes volunteering; however, volunteering does not fall under supported employment under the draft of the new waiver. Instead, prevocational and day habilitation services include volunteering. Moreover, there is an increased emphasis on supported employment services as opposed to traditional day habilitation services. DHMH advises that this is consistent with national trends. While day habilitation services will remain an option for DDA clients, DDA will continue to move toward an employment first model.

Ultimately, IPs and service funding plans will need to be altered to conform to new service definitions. As noted previously, IPs are reviewed on an annual basis through the State's resource coordination entities. **The agency should advise the committees on how changes in service definitions will impact resource coordination entities as well as individuals currently enrolled in one of DDA's Medicaid waivers.**

Recommended Actions

1. Add the following language to the general fund appropriation:

, provided that \$1,000,000 of this appropriation made for the purpose of Program Direction may not be expended until the Department of Health and Mental Hygiene provides a report to the budget committees that summarizes the requirements analysis for the Developmental Disabilities Administration's major information technology project for the financial restructuring of the agency's existing system. Moreover, the report shall summarize the recommendations made by the independent consultant for the draft specifications to solicit the modification or replacement of the agency's existing financial platform. The department shall advise how the new system will address the major underlying inefficiencies of the agency's current payment system and identify any barriers to adopting a new financial management system, including statutory or regulatory barriers. The report shall also update the committees on progress in creating a new fiscal management structure and processes for financial projections and reporting. The report shall be submitted by December 1, 2013, and the committees shall have 45 days to review and comment. Funds restricted pending the receipt of the report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the committees.

Explanation: Among other things, the Developmental Disabilities Administration (DDA) has encountered difficulties budgeting due to the underlying inefficiencies related to its current payment system. Consequently, the Office of the Inspector General at the Department of Health and Mental Hygiene (DHMH) recommended that DDA restructure its current financial operations. While several changes have been made, a major information technology project is currently underway to restructure DDA's existing financial platform.

Information Request	Author	Due Date
Report on financial system changes in DDA	DHMH	December 1, 2013

2. Adopt the following narrative:

Home and Community Based Services Waiver Enrollment: The committees direct the Developmental Disabilities Administration (DDA), as part of its Managing for Results performance measures, to report the percentage of individuals within the Community Services Program who are being served through the Home and Community Based Services waiver. The agency currently reports the matching federal funds claimed through the waiver; however, this is an inaccurate way to measure the agency's ability maximize federal fund attainment.

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Information Request	Author	Due Date
Home and Community Based Services waiver enrollment	DDA	With the annual budget submission

3. Adopt the following narrative:

New Placements Within the Community Services Program: The committees direct the Department of Health and Mental Hygiene (DHMH) to report on the number of new individuals placed into services from the following funding categories within the Community Services program: emergency, Waiting List Equity Fund, court involved crisis services, and Transitioning Youth. The number of requests for service change should also be reported, and to the extent possible, the costs associated with changes in services should be identified. The reports should be submitted on a monthly basis for the first two quarters of the fiscal year and quarterly thereafter.

Information Request	Author	Due Date
Reports on new placements within the Community Services program	DHMH	15 days after the end of each month or quarter, as appropriate

Updates

1. Supports Intensity Scale

For nearly three decades, DDA has been using the Individual Indicator Rating Scale (IIRS) to assess the level of need for individuals receiving DDA-funded services. However, the agency was concerned that this tool did not adequately assess an individual's level of need and necessary funding level. For instance, DDA supplements individual budgets determined by IIRS with "add ons." These add ons are negotiated at the regional level with each provider.

In 2010, DDA established a stakeholder group to determine a new tool to assess the needs of DDA clients. The Supports Intensity Scale (SIS) was chosen to replace IIRS. SIS is an individual client assessment and planning tool developed by the American Association on Intellectual and Developmental Disabilities. It is presently used by a number of states and Canadian provinces. Some states also use the SIS measures as a basis for payment of providers.

DDA advises that SIS is distinguished from other measurement tools by identifying the needs of a client to be as high functioning as possible, rather than measuring a client's weaknesses. DDA has implemented a pilot project to complete SIS assessments for individuals within the CS program. The assessment will encompass people entering DDA funded services for the first time, and the agency anticipates the assessments will be completed by June 30, 2013. This pilot will be used to hire a consulting firm to develop a resource allocation algorithm based on the sample assessments. The implementation of SIS does not require payment system reform, but integrating SIS in a new payment methodology may yield a better alignment of payments with costs and incentivize effective service delivery. It is important to note that this process is being coordinated with CSRRC.

2. Community Services Reimbursement Rate Commission

CSRRC is an independent body operated by DHMH that is concerned with issues regarding community services for individuals with developmental disabilities or psychiatric disabilities, with particular emphasis on:

- rates paid to providers;
- wages of direct care workers;
- measurement of quality and outcomes;
- solvency of providers; and
- consumer safety costs.

CSRRC must issue a report annually by October 1 to the Governor, the Secretary of DHMH, and the General Assembly that describes its findings regarding these issues. The commission's findings and recommendations must be considered annually in developing budgets of DHMH, DDA, and MHA. However, CSRRC suspended operations in April 2009 and advised that the operation of CSRRC would cease until the services of a consultant were procured to support the commission's work. Furthermore, it was advised that DHMH was in the process of soliciting a consultant to support CSRRC's activities as the fiscal 2011 budget included funding for the commission. However, CSRRC did not resume its activities until October 28, 2011.

In September 2012, the commission submitted its annual report after its two-year hiatus. Beginning in 2011, CSRRC no longer recommends inflationary adjustments to rates, but instead is responsible for developing a weighted average cost structure for use by MHA and DDA in calculating rate updates for their annual budget submissions.

Report Summary

Among DDA providers, mean expenditures on direct care worker salaries declined 4.4% from fiscal 2010 to 2011. CSRRC advises that this decline in salaries may be the result of the 1.5% rate reduction to providers in fiscal 2010. It is likely that this decline did not show up until fiscal 2011 because it took time for providers to acclimate to the revenue loss, and they may have done so by turning to the budget category with the most flexibility: personnel. Expenditure reductions may have come from limiting overtime eligibility and other strategies to lower personnel costs. Moreover, the drop in wages between fiscal 2010 and 2011 occurred exclusively among residential staff (both live in and non-live in) and staff in Community Support Living Arrangement programs. Despite the decline in wages, mean turnover rates for direct care workers decreased from 38.0% in fiscal 2004 to 27.0% in fiscal 2011. During the same time period, mean tenure for direct care workers rose from 42 to 57 months. The commission indicated that the recession may have contributed to lower turnover rates.

Ultimately, CSRRC advised that the majority of developmental disabilities providers appear solvent according to standard measures of financial performance; however, a significant percentage show poor performance on many of the financial indicators typically used to measure solvency. Generally, services funded through the Fee Payment System show losses in most years, and CSLA programs show profits every year, although profit margins have declined.

3. Mortality and Quality Review Committee Annual Report

Within DHMH, the Mortality and Quality Review Committee (MQRC) is concerned with the death of any person who, at the time of death, resided in or was receiving services from any program or facility licensed or operated by DDA, or operating by waiver. After OHCQ reviews each death, it reports to the committee, which examines OHCQ's report. The committee also reviews aggregate incident data regarding facilities or programs that are licensed or operated by DDA or are operating through a waiver. The committee makes recommendations to the Deputy Secretary of Behavioral Health to prevent avoidable injuries and avoidable deaths – such as choking and/or aspiration – and

improve quality of care at developmental disabilities facilities. In the past, OHCQ provided the aggregate incident data to the committee every three months. Through the data provided, OHCQ identified trends that may threaten the health, safety, or well-being of any individual. The committee then reviews the data, makes findings and recommendations to the department on system quality assurance needs, and consults with experts as needed. The committee may issue preliminary findings or recommendations to the Secretary of DHMH, the Deputy Secretary of Behavioral Health, the director of DDA, the director of MHA, or the director of OHCQ.

MQRC is required to annually prepare a public summary report; however, a report had not been prepared since calendar 2009. Subsequently, narrative was adopted in the 2012 JCR that directed DHMH to submit MQRC's annual public summary report to the committees by December 31, 2012. On January 28, 2013, the report was submitted to the General Assembly.

Report Summary

In 2011, MQRC met three times and reviewed a total of 200 deaths (194 DDA cases and 6 MHA cases). It is important to note that of the 200 cases reviewed, the deaths reviewed may have occurred prior to 2011. Of the 194 DDA cases, 23 were investigated onsite or administratively by OHCQ and were recommended for closure by MQRC. Of the 6 MHA cases, all 6 were fully investigated and all were recommended for closure by MQRC. At the close of 2011, 196 cases were closed and 4 cases remained open for further review.

All cases were thoroughly reviewed by OHCQ and validated by MQRC and required no further action. Among DDA clients, cardiovascular diseases were the leading cause of death in individuals for calendar 2011. Based on this finding, MQRC recommended that community providers should be regularly reminded of the importance of maintaining a healthy heart and cardiovascular system. Attention to tobacco cessation, diet, exercise, and good sleeping habits are the most effective ways to avoid cardiovascular-related health problems. Moreover, it was recommended that DDA communicate with providers and individuals on State-funded tobacco cessation resources.

Septicemia was the second leading cause of death among DDA clients in calendar 2011. MQRC recommended that an emphasis should be placed on educating community providers in the area of infection prevention. This could be done through in-service training and promotional materials.

Current and Prior Year Budgets

Current and Prior Year Budgets DHMH – Developmental Disabilities Administration (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2012					
Legislative Appropriation	\$496,890	\$4,857	\$342,331	\$373	\$844,451
Deficiency Appropriation	-13,297	0	0	0	-13,297
Budget Amendments	1,063	2	18,237	8	19,311
Reversions and Cancellations	-262	-3,764	-225	-351	-4,602
Actual					
Expenditures	\$484,394	\$1,095	\$360,343	\$31	\$845,863
Fiscal 2013					
Legislative Appropriation	\$506,373	\$12,876	\$369,607	\$565	\$889,422
Budget Amendments	343	177	33	0	553
Working					
Appropriation	\$506,716	\$13,054	\$369,640	\$565	\$889,975

Note: Numbers may not sum to total due to rounding.

Fiscal 2012

In fiscal 2012, the budget for DDA closed at \$845.9 million, an increase of \$1.4 million over the original legislative appropriation. Deficiency appropriations decreased the legislative appropriation of DDA by \$13.3 million. The fiscal 2013 supplemental budget reduced the fiscal 2012 general fund appropriation in the Community Services Program by \$13,297,109 due to the availability of prior year federal fund revenue that was recognized through a separate budget amendment.

Budget amendments account for an increase of \$19.3 million in fiscal 2012. The fiscal 2012 budget for the Department of Budget and Management (DBM) included centrally budgeted funds for the \$750 one-time bonus for State employees. This resulted in the transfer of funds from DBM to DDA (\$452,394 in general funds and \$31,414 in federal funds). Furthermore, Chapter 497 of 2010 required that beginning in fiscal 2012, DHMH must provide an inflationary cost adjustment to community providers for salary adjustments. Subsequently, funds were transferred from DBM's Statewide Expenses Program to DDA for community provider salary adjustments (\$825,206 in general funds and \$316,011 in federal funds). General funds increased to realign funds within DHMH from programs with surpluses to those with deficits (\$417,984). This was offset by a decrease in general funds to realign DBM telecommunication appropriations within DHMH (\$0.2 million) and to realign health insurance expenditures at the Holly Center (\$450,000).

Budget amendments increased the federal fund appropriation for DDA by \$18.3 million, including \$13.3 million of prior year federal funds. One amendment increased the budget for the Community Services Program by \$4.6 million to recognize matching federal funds earned by the agency through the Waiting List Initiative. Chapter 571 of 2011 increased the State sales and use tax rate imposed on alcoholic beverages from 6 to 9% and required a supplementary appropriation of \$15.0 million for DDA in fiscal 2012 to fund the Waiting List Initiative. Furthermore, the supplementary appropriation allowed DDA to earn matching federal funds on Medicaid eligible community services that were not reflected in the agency's fiscal 2012 legislative appropriation. It is important to note that DDA expects to obtain \$5,136,794 in matching funds through the initiative; however, this amendment only recognizes \$4,592,925 due to small amounts of unexpended federal funds in other areas of the Community Services Program.

The special fund appropriation for the agency increased by \$2,000 due to increased inpatient activities at the Potomac Center. Furthermore, reimbursable funds increased by \$8,115 to cover overtime expenditures associated with Hurricane Irene and Tropical Storm Lee. These funds are available through the Maryland Emergency Management Agency.

Finally, at the end of the year, \$4.6 million in appropriations were cancelled or reverted. Approximately \$261,898 of the general fund appropriation was reverted. Of this amount, \$0.2 million was reverted due to decreased expenditures for various grants. The remaining funds were reverted due to decreased expenditures for building repairs at the Potomac Center (\$39,362) and trash removal at the Rosewood Center (\$15,923). Approximately \$3.8 million of DDA's special fund appropriation was cancelled due to decreased expenditures for the Waiting List Equity Fund (\$2.3 million), prior year grants (\$0.8 million), and decreased collections from tenants on utility

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reimbursement at the Rosewood Center (\$0.6 million). The remaining special fund cancellations were due to decreased expenditures at the Potomac and Holly Centers (\$59,549). Approximately \$0.2 million of the federal fund appropriation was cancelled due to decreased federal fund attainment due to high vacancy levels. Finally, \$350,706 in reimbursable funds was cancelled due to decreased attainment from the Medical Care Programs Administration for Home and Community Based Waiver activities.

A more detailed discussion of DDA's fiscal 2012 closeout can be found in the Issues section of this document; however, it is important to note that DDA reported a \$5.4 million general fund deficit in the Community Services Program for fiscal 2012.

Fiscal 2013

The fiscal 2013 working appropriation is \$890.0 million, an increase of \$0.5 million over the original legislative appropriation. The fiscal 2013 budget for DBM included centrally budgeted funds for the 2013 COLA adjustment for State employees. This resulted in the transfer of funds from DBM to DDA (\$177,209 in special funds and \$32,982 in federal funds). General funds also increased due to the reclassification of forensic behavior specialists in the SETT units (\$183,253) and for overtime costs at the Potomac Center (\$244,374). These increases were offset by the transfer of funding from the Holly Center and the SETT units into the Medical Care Programs Administration to enhance services provided by a new Division of Behavioral Health Services (\$85,066 in general funds).

Object/Fund Difference Report
DHMH – Developmental Disabilities Administration

<u>Object/Fund</u>	<u>FY 12 Actual</u>	<u>FY 13 Working Appropriation</u>	<u>FY 14 Allowance</u>	<u>FY 13 - FY 14 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	659.50	655.50	655.50	0.00	0%
02 Contractual	26.33	27.94	17.12	-10.82	-38.7%
Total Positions	685.83	683.44	672.62	-10.82	-1.6%
Objects					
01 Salaries and Wages	\$ 41,774,216	\$ 43,474,512	\$ 44,707,156	\$ 1,232,644	2.8%
02 Technical and Spec. Fees	1,832,685	1,450,432	1,188,807	-261,625	-18.0%
03 Communication	230,382	248,768	210,780	-37,988	-15.3%
04 Travel	73,078	65,733	61,406	-4,327	-6.6%
06 Fuel and Utilities	1,605,761	1,693,448	1,879,653	186,205	11.0%
07 Motor Vehicles	191,698	159,413	182,152	22,739	14.3%
08 Contractual Services	797,527,075	840,504,545	899,471,933	58,967,388	7.0%
09 Supplies and Materials	1,488,175	1,440,225	1,379,656	-60,569	-4.2%
10 Equipment – Replacement	67,947	17,157	4,702	-12,455	-72.6%
11 Equipment – Additional	128,517	7,300	19,367	12,067	165.3%
12 Grants, Subsidies, and Contributions	477,655	405,000	405,000	0	0%
13 Fixed Charges	465,660	507,977	551,397	43,420	8.5%
Total Objects	\$ 845,862,849	\$ 889,974,510	\$ 950,062,009	\$ 60,087,499	6.8%
Funds					
01 General Fund	\$ 484,393,672	\$ 506,715,869	\$ 530,124,198	\$ 23,408,329	4.6%
03 Special Fund	1,095,082	13,053,546	4,246,160	-8,807,386	-67.5%
05 Federal Fund	360,343,400	369,639,955	415,666,174	46,026,219	12.5%
09 Reimbursable Fund	30,695	565,140	25,477	-539,663	-95.5%
Total Funds	\$ 845,862,849	\$ 889,974,510	\$ 950,062,009	\$ 60,087,499	6.8%

Note: The fiscal 2013 appropriation does not include deficiencies. The fiscal 2014 allowance does not include contingent reductions.

Fiscal Summary
DHMH – Developmental Disabilities Administration

<u>Program/Unit</u>	<u>FY 12 Actual</u>	<u>FY 13 Wrk Approp</u>	<u>FY 14 Allowance</u>	<u>Change</u>	<u>FY 13 - FY 14 % Change</u>
01 Program Direction	\$ 5,400,722	\$ 6,436,103	\$ 8,273,352	\$ 1,837,249	28.5%
02 Community Services	800,820,194	843,996,391	900,899,989	56,903,598	6.7%
01 Services and Institutional Operations	1,992,315	1,908,823	1,852,725	-56,098	-2.9%
01 Services and Institutional Operations	17,528,466	18,105,165	18,158,852	53,687	0.3%
01 Court Involved Service Delivery	8,942,270	8,436,675	8,982,801	546,126	6.5%
01 Services and Institutional Operations	11,143,650	11,060,850	11,858,471	797,621	7.2%
01 Services and Institutional Operations	35,232	30,503	35,819	5,316	17.4%
Total Expenditures	\$ 845,862,849	\$ 889,974,510	\$ 950,062,009	\$ 60,087,499	6.8%
General Fund	\$ 484,393,672	\$ 506,715,869	\$ 530,124,198	\$ 23,408,329	4.6%
Special Fund	1,095,082	13,053,546	4,246,160	-8,807,386	-67.5%
Federal Fund	360,343,400	369,639,955	415,666,174	46,026,219	12.5%
Total Appropriations	\$ 845,832,154	\$ 889,409,370	\$ 950,036,532	\$ 60,627,162	6.8%
Reimbursable Fund	\$ 30,695	\$ 565,140	\$ 25,477	-\$ 539,663	-95.5%
Total Funds	\$ 845,862,849	\$ 889,974,510	\$ 950,062,009	\$ 60,087,499	6.8%

Note: The fiscal 2013 appropriation does not include deficiencies. The fiscal 2014 allowance does not include contingent reductions.