

Executive Office of Health & Human Services



Agency Information & FY2019 Budget Proposal

January 24, 2018

Secretariat FY19 Budget Summary – Spending

Department	FY18 GAA	FY18 Estimated Spending	FY19 H.2	H.2 vs. FY18 Spending	% Increase from Spending	H.2 vs. FY18 GAA	% Increase from GAA
Department of Mental Health	772,538,288	776,746,125	869,988,290	93,242,166	12%	97,450,002	13%
Department of Developmental Services	1,875,581,265	1,875,581,265	1,922,975,426	47,394,161	3%	47,394,161	3%
Department of Children and Families	976,861,864	978,370,541	998,327,255	19,956,714	2%	21,465,391	2%
Department of Transitional Assistance	626,516,673	642,413,431	656,963,827	14,550,396	2%	30,447,154	5%
Executive Office of Health and Human Services	335,381,715	337,532,823	346,683,172	9,150,350	3%	11,301,457	3%
Department of Elder Affairs (non-MassHealth)	526,415,665	527,244,738	544,637,069	17,392,331	3%	18,221,404	3%
Department of Public Health	609,528,687	609,651,729	608,591,224	(1,060,506)	0%	(937,463)	0%
Department of Youth Services	180,456,711	178,128,743	177,789,194	(339,549)	0%	(2,667,517)	-1%
Office of Refugees and Immigrants	400,000	395,999	400,000	4,001	1%	0	0%
Mass. Commission for the Blind	22,419,621	22,295,539	22,622,856	327,318	1%	203,235	1%
Mass. Rehabilitation Commission	49,384,593	49,201,769	49,037,631	(164,139)	0%	(346,962)	-1%
Commission for the Deaf and Hard of Hearing	5,548,262	5,736,793	5,732,684	(4,108)	0%	184,422	3%
Veterans Services	92,435,646	99,418,143	93,145,352	(6,272,791)	-6%	709,706	1%
Chelsea Soldiers Home	27,810,690	27,565,905	27,886,377	320,472	1%	75,687	0%
Holyoke Soldiers Home	23,902,040	24,446,121	23,921,217	(524,905)	-2%	19,177	0%
MassHealth	15,609,564,552	15,695,693,126	15,906,441,568	210,748,441	1%	296,877,016	2%
Subtotal	21,734,746,272	21,850,422,791	22,255,143,143	404,720,352	2%	520,396,871	2%
MassHealth Supplemental Hospital Payments	639,049,333	933,749,333	620,090,000	(313,659,333)	-34%	(18,959,333)	-3%
Total	22,373,795,605	22,784,172,124	22,875,233,143	91,061,019	0%	501,437,538	2.2%

FY19 H.2 – Across the Secretariat

House 2 (H.2) Budget

FY19 recommendation of \$22.255 B gross, excluding MassHealth supplemental payments

\$405 M (+2%) gross increase above FY18 estimated spending

\$520 M (+2.4%) gross increase above FY18 GAA

H.2 Budget Highlights

- Invests in a strengthened redesign of adult DMH community-based services to improve client outcomes
- Fully funds Turning 22 classes at DDS, MRC and MCB agencies
- Funds continued improvements at DCF including increasing staffing levels to make progress in lowering caseloads
- Revises DTA benefit structures to simplify program rules, increase incentives to employment, and ease benefit cliff effects
- Fund Chapter 257 provider rate increases in compliance with the Settlement
- Increases the formula grant at Councils on Aging to \$12 per elder, and sustains funding in the state's Home Care program to address caseload projections increases of 600 plus new elders
- Continues investments to combat opioid epidemic
- Maintains affordability and sustainability of MassHealth program without reducing benefits

Executive Office (EOHHS)

House 2 (H.2) Budget

FY19 recommended funding is \$346.7 M

\$9.1 M (+3%) above FY18 spending

\$11.3 M (+3%) above FY18 GAA

H.2 Budget Highlights

- \$38.5 M in Ch. 257 reserve to ensure funding of provider rate reviews. FY19 recommended spending will be an increase of \$2.8 M above FY18 spending, not including the spending at DMH as well as other EOHHS agencies annualizing FY18 rate increases
- \$7.3 M for Safe and Successful Youth Initiative consistent with FY18 spending
- \$2 M in Unaccompanied Homeless Youth spending, which is a \$1.3 M expansion above the FY18 GAA and matches FY17 spending
- \$19 M for Health Information Technology Trust Fund which funds HIX operating and maintenance costs. This is level with expected FY18 spending, but a \$15 M increase over FY18 GAA. The increase is driven both by previous underfunding and new costs coming off capital

Department of Mental Health (DMH)

Agency Summary

The Department of Mental Health's (DMH) mission is to provide clinical treatment and supportive services to meet the needs of individuals with serious mental illness of all ages, enabling them to live, work and participate in their communities. DMH provides community-based and continuing care inpatient services for approximately 20,000 individuals throughout Massachusetts.

House 2 (H.2) Budget

The H.2 budget funds DMH at \$870M, which is a \$93.2M (+12%) increase over FY18 estimated spending and \$99.5M (+13%) above the FY18 GAA.

H.2 Budget Highlights

- Funds redesign of the Adult Community Clinical Services (ACCS) (formerly known as Community Based Flexible Support Services)
 - \$83.8 M gross (\$37.3 M net); includes mandatory Chapter 257 provider rates
 - \$62.3 M to fully implement provider rates and improve client oversight and vendor performance
 - \$16 M in a transfer to MassHealth provides consumers access for care coordination services through the MassHealth's Behavioral Health Community Partner (BHCP)
 - \$4.5 M provides employment services
 - \$1 M expands the existing rental voucher program with DHCD
 - Funds \$2.9M for the SEIU Case Manager settlement.

Department of Developmental Services (DDS)

Agency Summary

The Department of Developmental Services (DDS) mission is to create opportunities for individuals with intellectual disabilities to participate in and contribute meaningfully to their communities. DDS provides specialized services and supports to more than 38,000 adults and children with intellectual and developmental disabilities including those with Autism Spectrum Disorder. DDS also provides residential services to individuals with acquired brain injury. Services include day and employment, residential, family support, and transportation. Services through state operated facilities, 287 community-based state operated program, and with more than 255 private provider agencies.

House 2 (H.2) Budget

The H.2 budget funds DDS at \$1.9B, which is a \$47.3M (+3%) increase over the FY18 GAA.

H.2 Budget Highlights

- Turning 22 – H.2 includes significant investments for the Department's Turning 22 population:
 - \$2.2 M increase to fully fund services for 1,171 members of FY19 Turning 22 class
 - \$44.4 M increase to fund services for 967 members aging out of the Turning 22 class

Department of Developmental Services (DDS)

H.2 Budget Highlights (cont.)

- \$16.7 M increase to cover changing needs of DDS client base
- \$5.9 M in Chapter 257 rate increases
- \$3.7 M increase in administrative costs including collective bargaining and step increases

Department of Children and Families (DCF)

Agency Summary

The Department of Children and Families' (DCF) mission is to protect children from abuse and neglect. DCF works to ensure the safety of children in a manner that holds the best hope of nurturing a sustained, resilient network of relationships to support the child's growth and development into adulthood. DCF serves approximately 50,000 children at any given time, primarily children ages 0-18, and youth ages 18-21 who were previously involved.

House 2 (H.2) Budget

DCF is funded at \$998.3M, which is a \$20M (+2%) increase from FY18 estimated spending and \$21.5M (+2%) above the FY18 GAA.

H.2 Budget Highlights

- Staffing & Hiring – H.2 includes continued support for the significant investments in staff at DCF since 2015, which includes 600 new employees.
- \$5.4 M increase for payroll and caseload growth
- \$2.8 M increase for foster care rate and clothing allowance to the USDA-recommended 2015 levels of Cost of Raising a Child
- \$2.6 M for leases
- \$1.7 M for Ch. 766 rate increase
- \$1.6 M increase for the procurements of the Lead Agency system and the child abuse hotline
- \$327 K increase for Family Resource Centers

Department of Transitional Assistance (DTA)

Agency Summary

The Department of Transitional Assistance's mission is to assist and empower low-income individuals and families to meet their basic needs, improve their quality of life, and achieve long-term economic self-sufficiency. DTA works with individuals and families to provide services through a combination of federal and state-funded programs with the ultimate goal of achieving fiscal stability for DTA clients. DTA serves one out of every eight people in the Commonwealth – including working families, children, elders and people with disabilities.

House 2 (H.2) Budget

DTA is funded at \$657M, which is a \$13.6M (2%) increase from FY18 estimated spending and \$37.5M (6%) above the FY18 GAA.

H.2 Budget Highlights

- \$6.7 M in TAFDC caseload-related increases, primarily related to hurricane evacuees
- \$2.8 M to build incentives to support the economic mobility and employment for TAFDC clients and their families:
 - Disregard all earned income for 6 months, and half of earned income for the next 6 months
 - Raise asset limit from \$2,500 to \$5,000
 - Increase grants for the work-required to current grant amounts for non-work required families

Department of Transitional Assistance (DTA)

Other H.2 Items

- \$960 K ensures compliance with federal requirements to fund SNAP clients' transportation costs to education and training activities through the SNAP Path to Work program
- \$578 K in costs related to processing hurricane evacuees
- \$2.6 M savings through updated EAEDC-related caseload projections
- \$1.1 M savings from declining caseload in the Teen Parenting Program
- H2 appropriates \$1M at the Executive Office of Labor and Workforce Development (EOLWD), 7002-1080, for continued support and growth of the Governor's Learn to Earn Initiative (LTE). LTE, administered by a cross-Secretariat work group including EOHHS and its agencies (DTA, MRC), is focused on aligning policies and addressing cliff effects across public benefit programs to better support job seekers and employers.

Elder Affairs (ELD)

Agency Summary

The Executive Office of Elder Affairs (ELD) promotes the independence, empowerment, and well-being of older adults and their caregivers. ELD's strategic goals include supporting aging in community; preparing for evolving demographic trends; empowering healthy aging; preventing injury, violence, and exploitation; strengthening "no wrong door" access to services; and ensuring quality, value, and person-centered care.

House 2 (H.2) Budget

The H.2 budget funds ELD at \$544.6M, which is a \$17.4M (+2.4%) increase over FY18 estimated spending and \$18.2M (+2.6%) above the FY18 GAA.

H.2 Budget Highlights

- \$2.9 M in Councils on Aging account to increase the local Councils on Aging formula grant from \$9.70 per elder (as funded in FY18 GAA) to \$12 per elder. Note: \$635 K in non-programmatic earmarks not funded in H.2
- \$4.7 M increase to Choices program due to steady caseload but higher acuity and longevity
- \$7.4 M increase for caseload growth in the state Home Care program. This funding level will ensure there is no waitlist and will serve more than 600 new members in FY19
 - Supports a caseload increase of 2%
 - \$2.9 M in rate increases associated with Chapter 257
- \$2.7 M increase for growth in elder protective services caseload
 - This supports intervention in 5,800 new cases of elders experiencing emotional, physical, sexual, or financial abuse
 - 9% projected caseload growth is in line with recent years

Department of Public Health (DPH)

Agency Summary

The Department of Public Health's (DPH) mission is to prevent illness, injury, and premature death, to assure access to high quality public health and health care services, and to promote wellness and health equity. DPH addresses specific diseases and conditions and offers services to address vulnerable populations. DPH also develops, implements, promotes, and enforces policies to assure that the conditions under which people live are most conducive to health and enable people to make healthy choices for themselves and their families. DPH is also responsible for the oversight of substance use services.

House 2 (H.2) Budget

- The H.2 budget funds DPH at \$608.6M, which is a \$1M (0%) decrease over FY18 estimated spending and \$1M (0%) below the FY18 GAA
- Accounting for the \$2.5M transfer of Recovery High Schools to DESE to better meet the educational needs of students; this is a \$1.4 (0%) increase over FY18 estimated spending and \$1.3M (0%) over the FY18 GAA

H.2 Budget Highlights

- Domestic Violence Services – H.2 includes \$500K for new domestic violence / sexual assault prevention and awareness campaign
- Mobile Integrated Health (MIH) – The H.2 budget supports \$500K in additional funding to support the costs associated with implementing the MIH program.
 - The MIH program is required by statute and will oversee community paramedic services that deliver healthcare services in an out-of-hospital environment.

Department of Public Health (DPH)

H.2 Budget Highlights (cont.)

- \$337 K investment for additional inspectors in the food protection, community sanitation, and radiation control programs, and the Office of Emergency Management
- \$4.4 M increase over FY18 spending for standard payroll and other maintenance increases
- \$1 M investment in retained revenue account for 11 nursing facility inspectors to address backlogs

Combatting Substance Misuse - Funding in H.2

- Across DPH line items, H.2 includes \$145.4M for substance misuse services. This includes:
 - \$73 M for residential services for individuals and families
 - \$23M for detox and transitional support beds
 - \$4M for youth detox, transitional, and residential services
 - \$4M in Section 35 step-down beds
- Funding also supports:
 - Community coalitions (i.e. Learn to Cope) that work locally to prevent the use/abuse of opioids and prevent/reduce fatal and non-fatal opioid overdoses
 - Office Based Opioid Treatment Programs
 - Outpatient Treatment Programs
 - Recovery Support Centers, and
 - the Massachusetts Substance Abuse Helpline (800-327-5050).
- SUD Waiver – Under the recently-approved 1115 waiver, federal funds will be used to expand SUD coverage and residential rehabilitation service programs, as well as support the coordination of recovery services to address the opioid crisis.

Department of Public Health (DPH)

Other Items in H.2- Savings

- \$6.8 M from eliminating earmarks and earmark-like accounts
- \$360 K reduction in smoking prevention and cessation program spending
- \$145 K for eliminating state funds for the Poison Control Center, which will continue to be supported by federal dollars

Department of Youth Services (DYS)

Agency Summary

The Department of Youth Services' (DYS) mission is to make communities safer by improving life outcomes for youth in care through investment in qualified staff and a service continuum that engages youth, families and communities in strategies that support positive youth development. As the juvenile justice agency, DHS provides a comprehensive and coordinated program of delinquency prevention and services to youth detained or committed to DHS by the courts.

House 2 (H.2) Budget

The H.2 budget funds DHS at \$177.8M, which is a \$340K (0%) decrease over FY18 estimated spending and \$2.7M (-1%) below the FY18 GAA.

Funds

- \$1.7M in Chapter 257 rate increases
- \$950K increase in administrative costs including collective bargaining and step increases
- \$440K in Quarter Point increase annualization

Savings

- \$2.0M driven by decline in census allowing for closure of one program
- DHS average monthly case load has declined 11.6% between November 2014 (1019 youth) and November 2017 (901 youth)
- \$850K driven by conversion of one program into a different lower intensity model

Mass. Rehabilitation Commission (MRC)

Agency Summary

The Massachusetts Rehabilitation Commission's (MRC) mission is to promote equality, empowerment and independence of individuals with disabilities by providing comprehensive services to help individuals maximize their quality of life and economic self-sufficiency in the community. These goals are achieved through enhancing and encouraging personal choice and the right to succeed or fail in the pursuit of independence and employment.

House 2 (H.2) Budget

The H.2 budget funds MRC at \$49.0M, which is a \$164K (0%) decrease over FY18 estimated spending and \$346K (-1%) below the FY18 GAA.

H.2 Budget Highlights

- The Commission projects to serve approximately the same number of consumers in its state programs in FY19 as compared to FY18.
- This funding level supports increased collective bargaining and other salary costs for MRC personnel.

Mass. Commission for the Blind (MCB)

Agency Summary

The Massachusetts Commission for the Blind's (MCB) mission is to provide the highest quality rehabilitation and social services to individuals who are blind, leading to independence and full community participation.

House 2 (H.2) Budget

The H.2 budget funds MCB at \$22.7M, which is a \$327K (1%) over FY18 estimated spending and \$203K (1%) above the FY18 GAA.

H.2 Budget Highlights

- This funding level supports \$220K in additional funding to support increases in MCB's Turning 22 caseload. In FY19, MCB projects to serve 5 new Turning 22 class members.
- H.2 also includes funding for collective bargaining and annualization of Chapter 257 rate increases that took place in FY18.

Mass. Commission for the Deaf & Hard of Hearing (MCDHH)

Agency Summary

The Massachusetts Commission for the Deaf & Hard of Hearing's (MCDHH) mission is to provide accessible communication, education and advocacy to consumers and private and public entities.

House 2 (H.2) Budget

The H.2 budget funds MCDHH at \$5.7M, which is level funding from FY18 estimated spending, and is \$184k increase (3%) over the FY18 GAA.

H.2 Budget Highlights

- This funding level supports the Deaf and Hard of Hearing Independent Living Services (DHILS) contract. During FY17, DHILS programs delivered a total of 23,404 service hours by providing information and referrals, peer mentoring, advocacy and skills training and a variety of independent living skills.

Department of Veterans' Services (VET)

Agency Summary

The Department of Veterans' Services' (VET) mission is to be the primary advocate for veterans and their families. Through the municipal veterans' agencies, Veterans' Services administers the need-based veterans benefits program (M.G.L. Chapter 15). In addition, Veterans' Services supports annuity benefits to Gold Star families, transitional services and outreach to veterans, operates two veterans' cemeteries and acts as liaison on behalf of veterans seeking assistance from the federal Veterans' Administration.

House 2 (H.2) Budget

The H.2 budget funds Veterans' Services at \$99.4M, which is an decrease of \$6.3M (-6%) over FY18 estimated spending, and a \$708K (1%) increase from the FY18 GAA.

H.2 Budget Highlights

- Investment in Training and Education – H.2 includes a \$1.3M investment for education and training for clinicians and first responders on veterans' mental health and substance misuse issues. This funding will support four clinician fellowships, as well as crisis intervention training for first responders.

Other H.2 Items

\$6.7 M (-7%) decrease from FY18 spending, driven by one-time retro Gold Star payments

Chelsea Soldiers' Home (CHE)

Agency Summary

The Soldiers' Home in Massachusetts (CHE) mission is to provide care with honor and dignity to Massachusetts veterans. The Chelsea Soldier's Home provides healthcare and housing to honorably discharged veterans who meet statutory eligibility requirements. The Chelsea Soldier's Home operates a 174-bed long-term care facility which includes skilled nursing beds, long-term care beds and dementia units along with 305 beds in an independent living/domiciliary service.

House 2 (H.2) Budget

The H.2 budget funds the Chelsea Soldier's Home at \$27.8M, which is \$320K (1%) increase over FY18 estimated spending and level-funded with FY18 GAA.

H.2 Budget Highlights

This funding level supports collective bargaining and other salary increases for the Chelsea Soldier's Home personnel.

Holyoke Soldiers' Home (HLY)

Agency Summary

The Soldiers' Home in Holyoke's (HLY) mission is to provide care with honor and dignity to Massachusetts veterans. Holyoke Soldiers' Home provides healthcare and housing to honorably discharged veterans who meet statutory eligibility requirements. Holyoke Soldiers' Home operates a 250-bed long-term care facility which includes long-term care beds, dementia units, comfort care services along with 30 beds in a domiciliary service.

House 2 (H.2) Budget

The H.2 budget funds the Holyoke Soldiers' Home at \$24.0M, which is \$525K (2%) decrease from FY18 estimated spending and level-funded with FY18 GAA.

H.2 Budget Highlights

- This funding level supports increases in medical expenses, upgrades to beds and a variety of maintenance costs at the facility in addition to collective bargaining and other salary increases.

Office of Refugees and Immigrants (ORI)

Agency Summary

The Massachusetts Office for Refugees and Immigrants' (ORI) mission is to promote the full participation of refugees and immigrants as self-sufficient individuals and families in the economic, social and civic life of Massachusetts. Primarily funded through the federal Office of Refugee Resettlement (ORR), ORI administers the refugee resettlement program, which includes refugee cash and medical assistance, case management, employment services, English language training and foster care for unaccompanied minors.

House 2 (H.2) Budget

The H.2 budget funds ORI at \$400K, which is a \$4K (+1%) increase over FY18 estimated spending and level-funded with the FY18 GAA.

H.2 Budget Highlights

- This funding level supports ORI's state-funded citizenship assistance program for refugees and immigrants residing in the Commonwealth.
- At this funding level, ORI expects to provide services to over 1,100 refugees and immigrants through grants to the agency's 17 partner organizations.

MassHealth

Agency Summary

Mission

To improve the health outcomes of our members by offering a public health insurance program that provides access to integrated health care.

Population Served

MassHealth offers essential health care coverage to 1.9 million members, or over 27% of the Commonwealth's residents, including:

- 780,000 low and moderate income adults (42% of all members)
- 600,000 low and moderate income children (32% of all members)
- 300,000 people with disabilities and 180,000 seniors (combined, 26% of all members)

Priorities

- Maintaining comprehensive, high quality, and affordable coverage for all members
- Restructuring MassHealth into integrated, accountable care models, with investments supported by the 1115 waiver (\$1.8B over 5 years)
- Expanding access to addiction treatment services to fight the opioid epidemic (\$219M over 5 years in new investments)
- Managing prescription drug spending to allow MassHealth to maximize value for the Commonwealth and maintain robust access to prescription drugs for members
- Continuing our commitment to making the MassHealth program sustainable through ongoing program integrity efforts

MassHealth

House 2 (H.2) Budget:

- MassHealth programmatic accounts are funded at \$15.906B gross, \$6.179B net, an increase of \$211M gross (1.3%) and \$30M net (.5%) over FY18 estimated spending.
- \$609M in MassHealth supplemental payments for hospitals funded by the MATF and new Safety Net Provider Trust Fund, excluding intergovernmental transfers

H.2 Budget Highlights:

- Projected 1.2% caseload growth from June 2018 to June 2019, a historically low growth rate due to major eligibility system improvements and program integrity initiatives
- Critical rate investments include:
 - \$15M for Continuous Skilled Nursing (CSN), allowing medically complex youth to stay living at home (annualization of recent increases, the first increases for CSN since 2008)
 - \$22M to increase wages for Personal Care Attendants (PCAs) to \$15 an hour per Collective Bargaining Agreement

Flat rates for most providers, with a 2% utilization increase assumption built into most managed care rates.

- **FY19 will be the first full year of MassHealth's innovative Accountable Care Organization (ACO) program, launching March 1, 2018.**
 - 17 ACOs across the Commonwealth responsible for the quality and total cost of care provided to approximately 800,000-900,000 MassHealth members
 - ACOs and MCOs will work with 27 Community Partner organizations to coordinate care for members with complex behavioral health or long-term services and supports needs, starting in June 2018

MassHealth - H2 Budget Highlights (continued):

- **Transition of coverage for 140,000 non-disabled adults with incomes 100%-138% FPL from MassHealth to comparable subsidized coverage through the Health Connector, effective January 1st, 2019.**
 - This updated proposal reduces cost sharing and expands dental benefits for ConnectorCare members up to 138% FPL, ensuring that members maintain coverage comparable to what they receive today through MassHealth
 - Enhancements to ConnectorCare also benefit 30,000 current Connector members
 - With this shift, the Commonwealth maximizes federal subsidies to achieve \$120 million in net savings annually (\$60 million in FY19)
- **Updated approach to drug purchasing that will allow MassHealth to maximize value for the Commonwealth and maintain robust access to prescription drugs for its members**
 - Add new direct negotiating and transparency approaches that provide MassHealth leverage to establish fair and reasonable cost-effective prices with manufacturers and require disclosures when manufacturers fail to reach an agreement (similar process used by New York Medicaid).
 - Allow MassHealth to exclude certain drugs from its formulary if there is no agreement on direct negotiating and transparency approaches, or the drug has no proven clinical efficacy. No drug will be excluded unless it is also excluded on either the Commonwealth's GIC plan or at least one national pharmacy benefits manager (with >10m lives).
 - Put in place strict guardrails, member protections and a public process to limit when formulary exclusions could apply. This is expected to apply to no more than ~1% of drugs that are high cost and/or have no proven clinical efficacy, for which MassHealth's currently available levers are not adequate.

MassHealth

H.2 Budget Highlights (continued):

- **\$219M new investments in addiction treatment over 5 years, funded by new federal revenue through 1115 waiver Substance Use Disorder (SUD) expansion:**
 - Expansion of Residential Rehab Services treatment capacity - 500 new beds over 5 years
 - Addition of recovery coaches and recovery support navigators to MassHealth benefit starting March 2018 and DMH's Adult Community Clinical Services (ACCS) program starting July 2018
 - Increased funding and incentives to utilize Medication Assisted Treatment (MAT), including technical assistance for primary care practices starting in FY18 and payment incentives for primary care and 24-hour services starting in FY19
 - Implementation of a state-wide online assessment tool for substance use treatment needs to increase quality of care through standardized, evidence based assessment and care planning process starting in FY19
 - Portion of investments funded through SUD Trust established in FY18