Department of Health and Human Services
Maine People Living Safe, Healthy and Productive Lives
Paul R. LePage, Governor
Mary C. Mayhew, Commissioner

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January 31, 2013

To: Senator Margaret M. Craven, Chair
Representative Richard R. Farnsworth, Chair
Members of the Joint Standing Committee on Health and Human Services

From: Mary C. Mayhew, Commissioner, Department of Health and Human Services

Re: DHHS response to questions from HHS Work Session on the FY'13 Supplemental Budget

Q #1: Please provide details on the reduction to Home Visiting in the Supplemental budget.

R: See Attachment A, Page 5

Q #2: Please provide a summary of the proposed savings around vacancies in DHHS.

1. What is the current vacancy rate department wide, and what is the breakdown?
2. What is the current rate that we are required to manage to, and how much higher is our rate than that requirement?
3. Does our vacancy rate put any of our Federal funding at risk?

R: On January 1, 2013, DHHS had 430 vacancies on a total employee base of 3,498, resulting in a current rate of 12.29%. On average, one DHHS vacancy is equal to $30,709 in General Fund (GF) dollars. Therefore, to meet the 6% attrition rate built into the Department's approved budget, the Department would need to maintain 210 vacancies on an annualized basis (3,498 * 6%). The Department was also required to save $4 million in personal services in FY13. This is equivalent to 131 (based on $4M in GF) vacancies on an annualized basis.

The Department has offered $2.5 million in Personal Services allotment for curtailment for the second half of FY13. This is equivalent to 82 (based on $2.5M in GF) vacancies on an annualized basis.

There is currently no federal funding at risk due to our vacancy rate.

Q #3: What services/training will not be provided by Muskie based on the reduction in the Supplemental?

R:

Cooperative Agreement #	Curtailment Amount	Office	Services/Training that will not be provided by Muskie based on reduction
CA-MH-13-372	$25,000	Office of Substance Abuse and Mental Health Services (SAMHS)	1. Mental Health Certification Program under Objective 1: a) Mental Health Certification Programs—the Mental Health Rehabilitation Technician/Crisis Service Provider Crisis Certification Review has been eliminated. b) The reduction will be to personnel primarily Project Manager's time on this project. 2. Mental Health Support Special Certification. 3. Tuition Reimbursement Program. 4. Workshop Allocation Program.
CA-CP-13-373	$12,064.80	Office of Aging and Disability Services (OADS)	1. Happy, Healthy & Well a) The project provided education around wellness to individuals with developmental disabilities. 2. Family Support and Satisfaction b) This project monitored the satisfaction of the service system by family members whose family includes individuals with developmental disabilities. Muskie was the research arm of the Regulations on Behavior & Medical Treatment that monitored the regulations keeping both the client and the public safe. This research has been put on hold.
CA-LR-12-331	$45,000	Division of Licensing and Regulatory Services (DLRS)	There are two segments of this cooperative agreement that are affected. 1. Facilitate a review of existing test procedures and work with key stakeholders to recommend new, competency-based testing for CRMA (Certified Residential Medication Aide) and PSS (Personal Support Specialist) training, develop the test bank, and work with the Division of Licensing and Regulatory Services (DLRS) to recommend the location for and features of a secure testing site. Coordinate this activity with the broad vision of a future comprehensive testing system for all direct care training that is taking place. a) Curtailment is $30,000 or 49.2% of project budget. b) No clients are directly affected. The work continues, although it will not be completed before the end of the contract term. Approximately 7,000 CRMA and PSS professionals will be subject to the new testing criteria that will be implemented in the coming months. 2. Support the effort of DLRS to update Maine State Nursing Regulations. a) The curtailment is $15,000 or 40.2% of the project budget. No clients are affected. The rule-making work contemplated by this cooperative agreement is being completed by internal DLRS staff. 108 Nursing facilities will be affected when the final rules are promulgated.

Q #4: Does the reduced contract with HMS signify that we are collecting fewer overpayments than originally anticipated?

R: The contract reduction does not imply we will collect less, we are asking they prioritize their work within existing resources. We also have internal staff working on collections of cost of care over payments.

Q #5: Why was the Long Term Care Ombudsman contract curtailed?

R: The Maine Long Term Care Ombudsman Program (LTCOP) was reduced 10% as a result of the Department's curtailment of General Fund contracts. The Office was limited to General Funds and curtailments were made only because cuts had to be made because of the revenue deficit. Office of Aging and Disability Services (OADS) senior staff utilized Zero Based Budgeting as a guide to these curtailments. The Office's initial assigned curtailment target was 20%; we were able to reduce the cut to the LTCOP to 10%.

Q #6: Please provide a detailed summary of Lines 19 and 20 (rental subsidy) of the "HHS Doc"?

R: Of the $1,783,371.09 encumbered for Rental Subsidies, the Department curtailed $891,686.00 in quarters 3 and 4 in FY 13. The Office was limited to General Funds contracts and curtailments were made only because cuts had to be made because of the revenue deficit. OADS senior staff utilized Zero Based Budgeting as a guide to these curtailments. This reduction affects 40 agencies that serve persons with developmental disabilities and approximately 1,086 individuals.

Q #7: Where is the language located that specifies that the Adoption Subsidy will be paid "within state resources"?

R: The language is in two places that Adoptive Families would have reasonable access:

1. Application and Agreement for Adoption Assistance (the language is under Funding Source, first sentence):

   The amount of assistance may vary depending on the circumstances of the adoptive family, the special needs of the child and the availability of other resources.

2. Maine's Adoption Assistance Handbook (the language is actually on page 2):

   General Statement of Policy
   Adoption assistance is an ongoing program within the Department of Health & Human Services to make adoption possible for eligible children with special needs who otherwise may not be adopted. Its purpose is to enable the child to become a permanent member of a family and to provide the benefits of family security, love and nurturing for children in special circumstances presently in the custody of the Department of Health & Human Services, Maine Tribes or a nonprofit private

adoption agency, licensed to operate in Maine. Adoption assistance may be negotiated and authorized to supplement the resources of approved adoptive families in order to meet a portion of the special needs of the eligible child without lowering the standard of living of the family. In all instances the primary consideration in whether to place the child for adoption is the best interests of the child. Funds for the Adoption Assistance Program will be taken from those appropriated for child welfare services and from funds under Title IV-E of the United States Social Security Act. The Adoption Assistance Program will be limited to the availability of federal and state funds.

Q #8: Are there a large number of children going into foster care currently with a developmental disability (DD) diagnosis?

R: No. Out of the 939 children taken into care in 2012, 40 were diagnosed with DD.

Cc: Michael Cianchette, Chief Legal Counsel, Governor's Office
Kathleen Newman, Deputy Chief of Staff, Governor's Office
Adrienne Bennett, Director of Communications, Governor's Office
Sawin Millett, Commissioner, Department of Administrative and Financial Services (DAFS)
Melissa Gott, State Budget Officer, Department of Administrative and Financial Services (DAFS)
Members of the Joint Standing Committee on Appropriations and Financial Affairs

Summary of Impact to Home Visiting Contract Curtailment

$100,000 in state general funds have been curtailed for three Maine Families Home Visiting contracts:

- Community Concepts is reduced by $19,134.78 in 010-022801 funds.
- KVCAP is reduced by $25,291.18 in 010-022801 and $18,136.44 in 010-Z00801 funds.
- Opportunity Alliance is reduced by $37,437.60 in 010-022801 funds.

Impact to Federal Funding: None Expected
The Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Expansion grant has a Maintenance of Effort requirement for state general funds. This means the state cannot reduce its contribution of general funds to the program from the amount it had from the first year award. However, states which are experiencing cuts that are temporary may complete a waiver request for the Maintenance of Effort. The curtailment of the three contracts is a one-time reduction and fits within the criteria for eligible waivers. The state is filling out that waiver at this time and expects approval.
Therefore, there is no impact to the federal funding.

Impact to Programs and Families: Nominal to Moderate
Because the state controls much of the infrastructure and its associated costs, the reduction will impact staffing at the program level. In financial terms, the reduction to the contracts is equivalent to the percent of an FTE, which can allow us to calculate the number of families that would not be served based on minimal contract expectations (no less than 25 families/FTE), or more accurately, average number of families served per FTE annually (33 families/FTE). In real life terms, a reduction in a percent of an FTE usually results in 100% reduction of a state-trained FTE/home visitor.

The chart below shows the fractional loss compared to the real-life total loss of each FTE for each contract:

Contract	Fractional FTE loss	Fractional Range of Families Not Served	Real Life Home Visitor loss	Real Life Range of Families Not Served
Community Concepts	.26 FTE	6.4---8.4	1 FTE	25-33
KVCAP	.57 FTE	14.4—19.1	1 FTE	25-33
Opportunity Alliance	.49 FTE	12.5—16.5	1 FTE	25-33
TOTAL	**1.3 FTE**	**33.3—44**	**3 FTE**	**75-99**

However, a deeper look at the funding trend for these indicates that of the three contracts reduced, the impact will be minimal to at least two of the contracts (OA and CC). The first quarter financial report from those two reflected underspending and downward adjustments. CC underspent because of delayed payments that affected hiring; OA has had position vacancies for both the Program Manager and one home visitor for at least 7 months. The second quarter financial report is due January 31 and will likely reflect the same trend for at least one of those two (OA), if not both. ***Therefore, for these two contracts it is expected that the curtailment can be absorbed by existing staff vacancies.***

The third contract (KVCAP) is considered a Tier Two site, one of two tiers of priority funding for areas particularly at-risk based on a comprehensive needs assessment[1] conducted as a requirement of the federal home visiting program. It has been spending according to budget. Plans were already underway to add additional allowable federal funds to meet the service demand of this site at capacity. ***As a result of curtailment at this site, there may be a loss of momentum and disruption of staffing during the time required to amend the contract as intended.***

[1] *Maine's 2010 Home Visiting Needs Assessment examined the needs of its communities and the resources allocated to address those needs. We extracted county level data for at-risk prenatal, maternal, newborn, or child health indicators (e.g., Domestic violence, substance use, emergency dept use), identified those at greatest risk and grouped them into priority tiers for direct service funding. Tier 1 includes Piscataquis/Penobscot and Washington counties; Tier 2 contains Aroostook, Somerset/Kennebec service areas. At a minimum, these sites receive baseline funding from the HV Formula grant given to every state.*