

A large, light blue, stylized human figure logo is positioned on the left side of the slide, extending from the top to the bottom. It consists of a circular head, a curved torso, and two limbs, one pointing upwards and the other downwards, suggesting movement or health.

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# Fiscal Year 2012 Budget

Senate Finance Committee – June 2011

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# Four Sets of House Cuts

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1. Cut to the Medicaid Private Provider Program - \$81 million (plus an additional \$183 federal)
2. Cuts made by House Appropriations Committee - \$29.5 million
  - 27<sup>th</sup> Pay Period
  - Across the Board SGF Reductions
  - Targeted Reductions
3. Elimination of funding for the Louisiana Behavioral Health Partnership / Coordinated System of Care - \$10.5 million
4. Elimination of funding for Coordinated Care Network Education and Outreach - \$1 million (plus \$1m federal)

# House's \$81 SGF Reduction

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- In preparing the executive budget, \$81 million in SGF (\$264M total) was moved WITHIN the Medical Vendor Payments part of the budget from the private provider program to the Buy-Ins program.
- As a result of the House Action, the MVP budget has \$81 million less today.
- Because this is matchable funds, the total impact is \$264.3 million.

# HAC Amendment - \$29.5 Million

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- Cuts made by House Appropriations Committee - \$29.5 million
  - 27<sup>th</sup> Pay Period
  - Across the Board SGF Reductions
  - Targeted Reductions

# Elimination of Funding for the 27<sup>th</sup> Pay Period

- HAC removed \$11,728,631 in statutory dedication from DHH that was purposed to fund the FY12 27<sup>th</sup> pay period.

Jefferson Parish	\$	(496,674)
Florida Parishes	\$	(477,884)
Capital Area	\$	(652,256)
Developmental Disabilities Council	\$	-
Metropolitan	\$	(397,904)
Medical Vendor Admin	\$	(1,497,267)
Medical Vendor Payments	\$	-
Office of the Secretary	\$	(748,884)
South Central	\$	(372,681)
Aging and Adult Services	\$	(271,209)
LERN	\$	(29,906)
Public Health	\$	(1,260,317)
Behavioral Health	\$	(4,798,802)
Citizens with Developmental Disabilities	\$	(724,847)
<b>Total</b>	<b>\$</b>	<b>(11,728,631)</b>

# Across the Board SGF Reduction

Jefferson Parish	
Florida Parishes	\$ (33,272)
Capital Area	\$ (283,304)
Developmental Disabilities Council	\$ (9,228)
Metropolitan	\$ (1,319,396)
Medical Vendor Admin	\$ (1,763,988)
Medical Vendor Payments	
Office of the Secretary	\$ (311,860)
South Central	
Aging and Adult Services	\$ (243,668)
LERN	\$ (226,292)
Public Health	\$ (859,476)
Behavioral Health*	\$ (4,569,692)
Citizens with Developmental Disabilities	\$ (4,897,009)
<b>Total</b>	<b>\$ (14,517,185)</b>

\*Additional Maintenance of Effort Considerations

# Targeted Reductions

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- ACT/FACT Teams, Intensive Case Management, Therapeutic Residential Housing Program - \$2.653 million.
  - Not a cut of a new program or not-yet-implemented expansion
  - This is an annualization of services already in place
- Medicaid Eligibility System Upgrade - \$1.436 million (50/50 match - \$719k SGF, \$719 Federal)
- Enhancement of Self-Direction Contract for Home and Community-Based Services (50/50 match - \$331.5K SGF, 331.5K Federal)

# Louisiana Behavioral Health Partnership - \$10.5 million reduction

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- The House floor eliminated \$10.5 million in funding for the Louisiana Behavioral Health Partnership (LBHP).
- This is **not** new money, but rather money that was saved in administrative costs as we consolidated DHH clinics to get them ready for the implementation of the LBHP.
- This money provides for **one-time** start-up costs.
- If we do not have the \$10.5 million, we will have delays as we move forward with implementation, and all of agencies that have contributed funds will have to move more funds from the current delivery system.
- This will result in additional cuts for all four agencies, having an even more significant impact than the \$10.5 million.



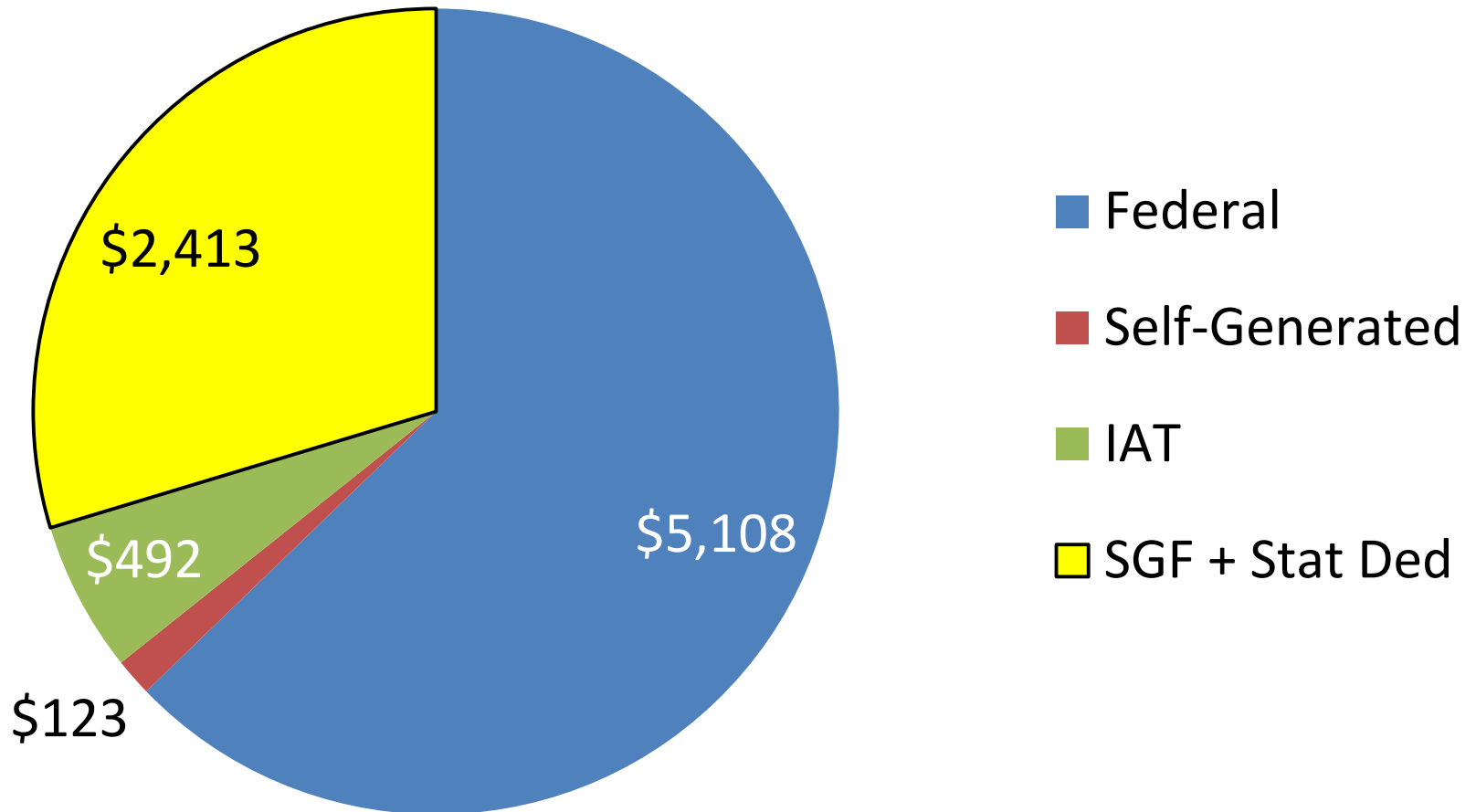
# CCN Communication and Outreach - \$2 million

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- Robust consumer and provider outreach is critical to the success of our goals of engaging enrollees and having at least 70 percent make a pro-active choice of network.
- \$1 million SGF cut was matched 50/50 for \$2 million impact.
- Was targeted for development and mailing of readiness kits and other materials, coordination of outreach events, providing of materials for faith-based and community-based groups who will assist in education events, purchase of mass media as appropriate and other education and outreach efforts.
- The loss of the money hinders our ability to educate consumers to be able to make the right health decisions for themselves and their families.

# Understanding the Real Denominator

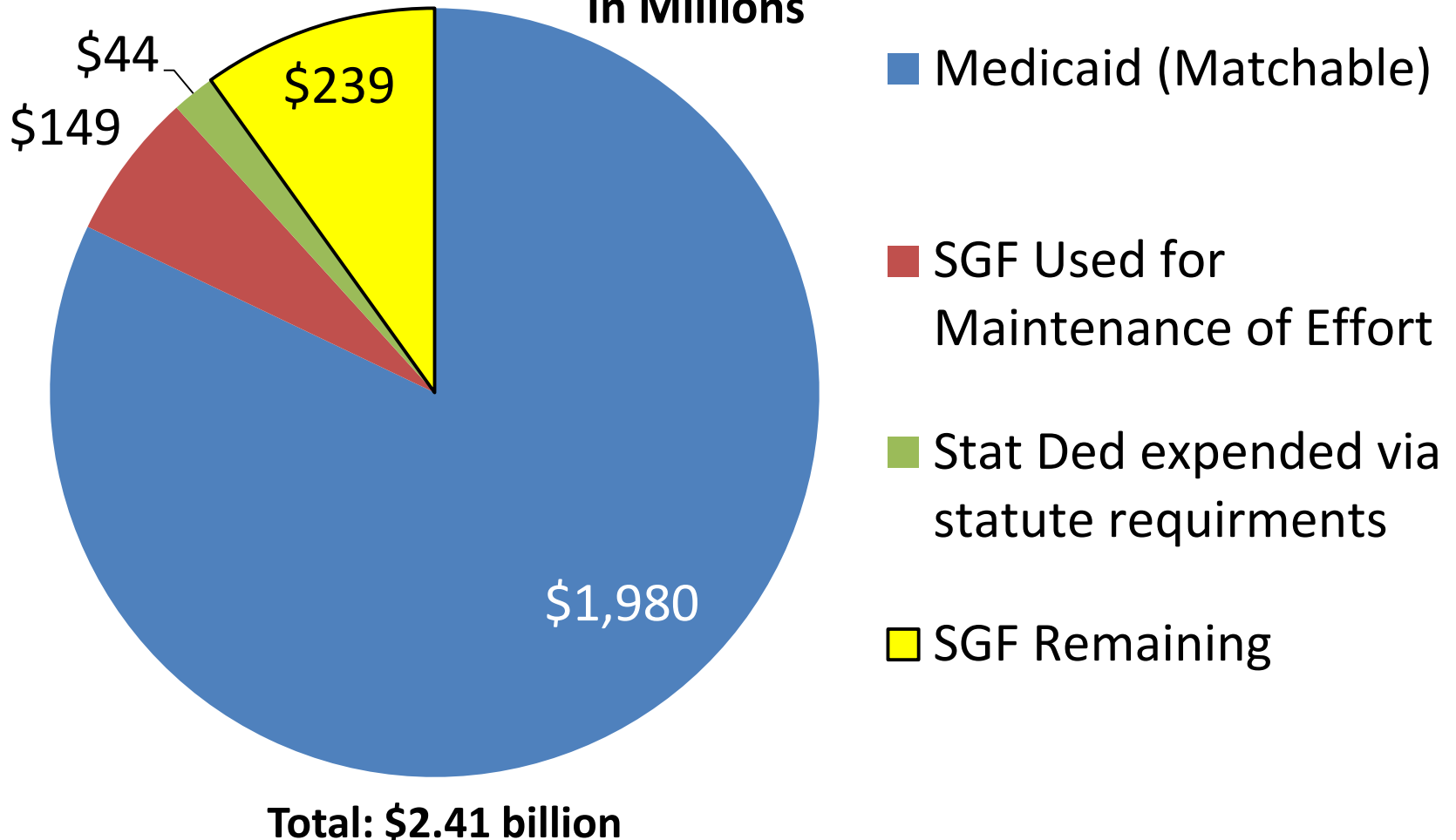
FY 12 Executive Budget Dollars - In Millions



**Total: \$8.134 billion**

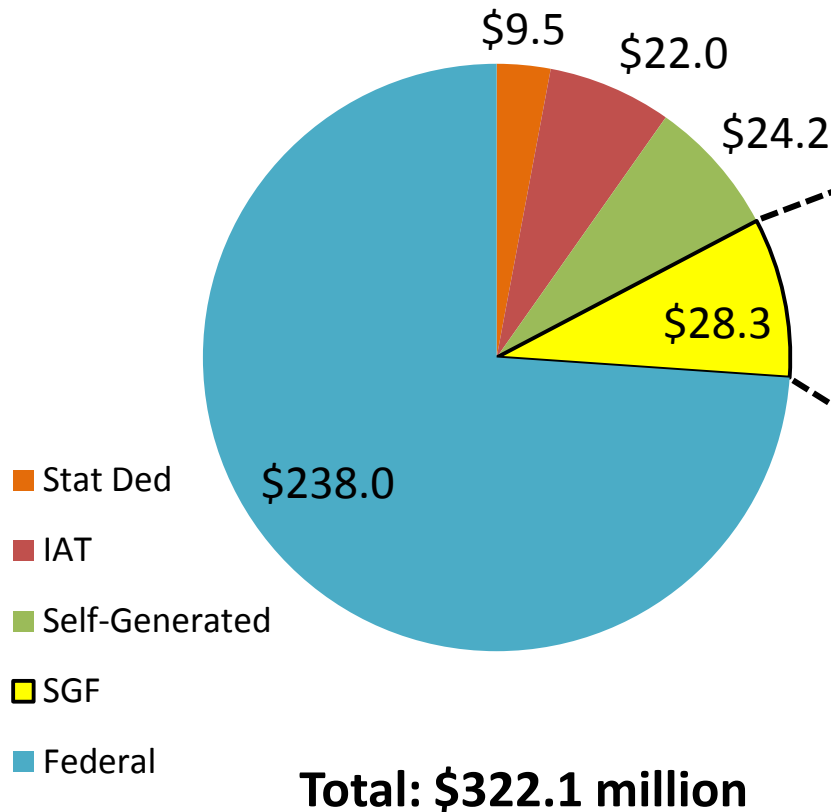
# Understanding the Real Denominator

**FY 12 Executive Budget SGF and Stat Ded Dollars -  
In Millions**

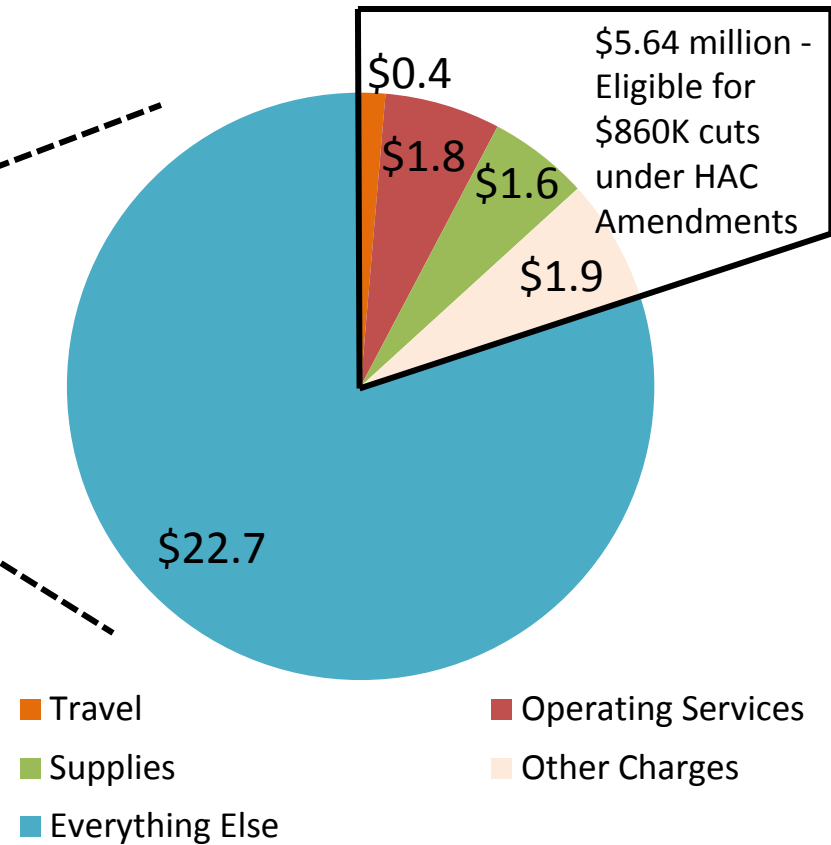


# An Example: Office of Public Health

OPH FY 12 Executive Budget- In Millions

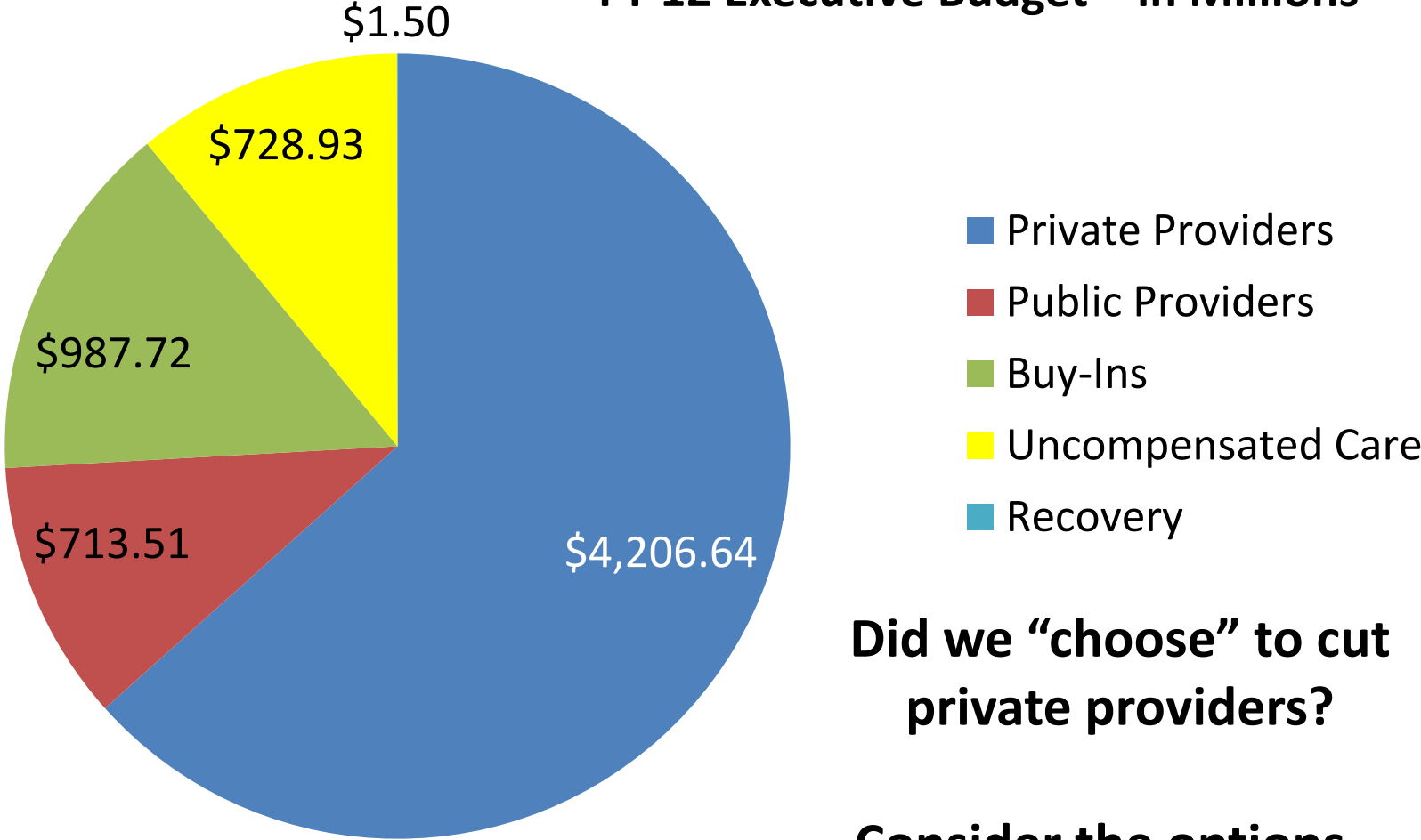


OPH SGF – In Millions



# Medical Vendor Payments Budget

FY 12 Executive Budget – in Millions



**Did we “choose” to cut private providers?**

**Consider the options...**

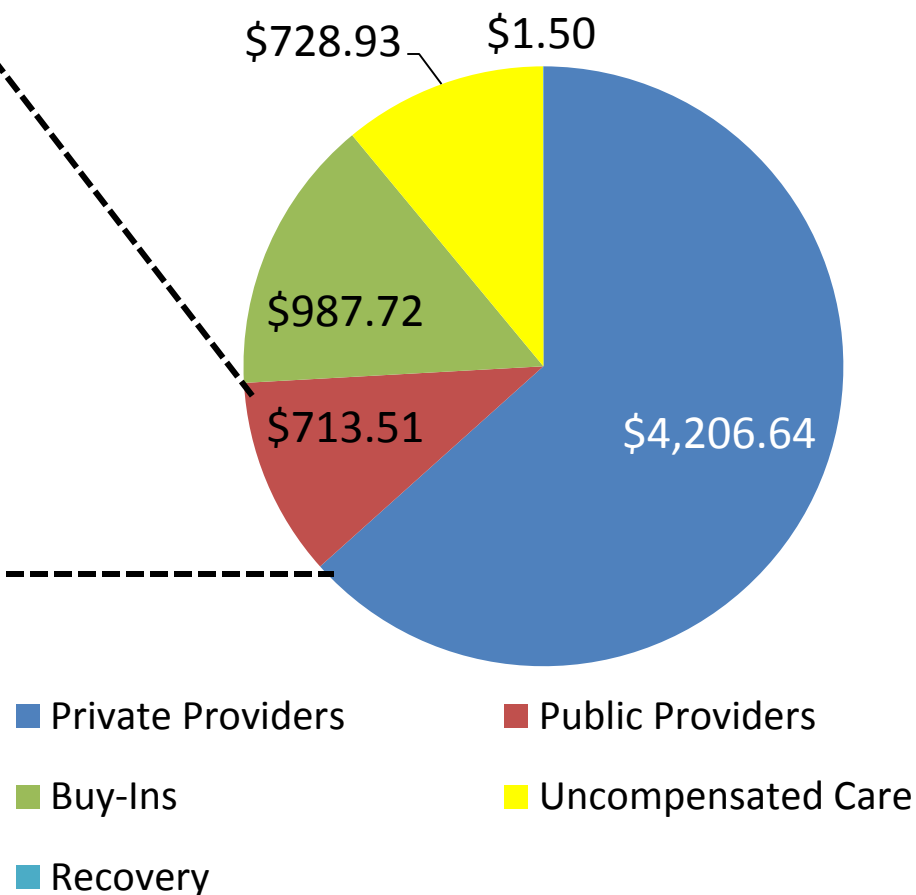
# Where to cut? – Public Providers?

## Where do you get \$264 million?

LSU HCSD	187,519,347
LSUHSC - Shreveport	128,674,437
LSUHSC - E. A. Conway & Huey P. Long	123,520,870
<b>Subtotal – LSU Hospitals</b>	<b>439,714,654</b>
Local Education for School Based Health	32,104,446
Coordinated System of Care	4,934,246
Capital Area Human Services District	764,131
Florida Parishes Human Services District	644,657
Metropolitan Human Services District	145,791
South Central Human Services Authority	1,167,033
Jefferson Parish Human Service District	1,386,022
Villa Feliciana	16,760,213
Office of Public Health	17,363,644
OMH For Community MH Services	3,282,099
OCDD (includes O/P)	178,939,669
LA Special Education Center	15,473,645
Special School District #1	761,741
LA School for the Deaf	65,773
<b>Subtotal – Everything Else</b>	<b>273,793,110</b>
<b>TOTAL PUBLIC PROVIDERS</b>	<b>713,507,764</b>

**If LSU Hospitals were left whole, cutting everything else would only barely cover the loss - \$273 million.**

## FY 12 Executive Budget – in Millions



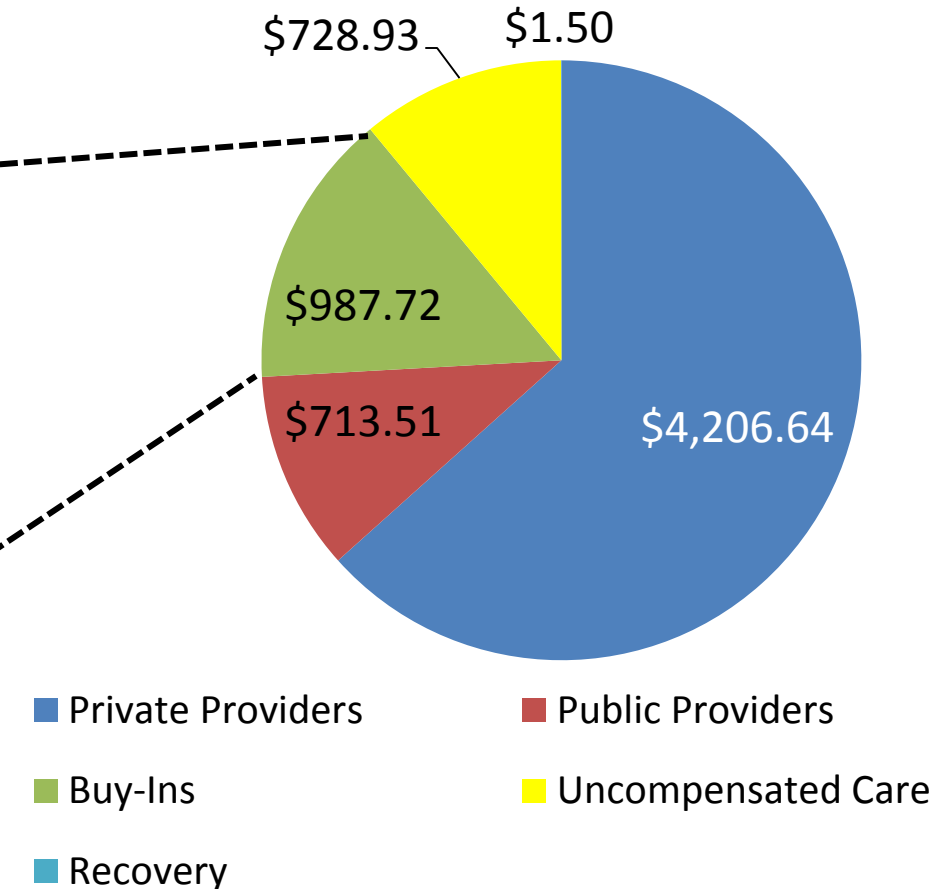
# Where to cut? – Buy-In?

## FY 12 Executive Budget – in Millions

### Where do you get \$264 million?

Medicare Part A and Part B premiums (Mandatory)	280,706,990
Supplements	411,529
Part D Clawback - 100% state match (Mandatory)	100,604,096
LaHIPP	6,543,714
HIT - 100% federal funds	102,946,357
LaCHIP Affordable Plan - Phase V	6,648,586
Coordinate System of Care SMO payments	126,218,140
<b>Coordinated Care Network payments</b>	<b>361,187,145</b>
From DOE to DHH for CSoC match	2,449,861
<b>TOTAL BUY-INS</b>	<b>987,716,418</b>

**This is money was moved from private providers – delay CCNs and we would have to move it back or cut provider rates.**



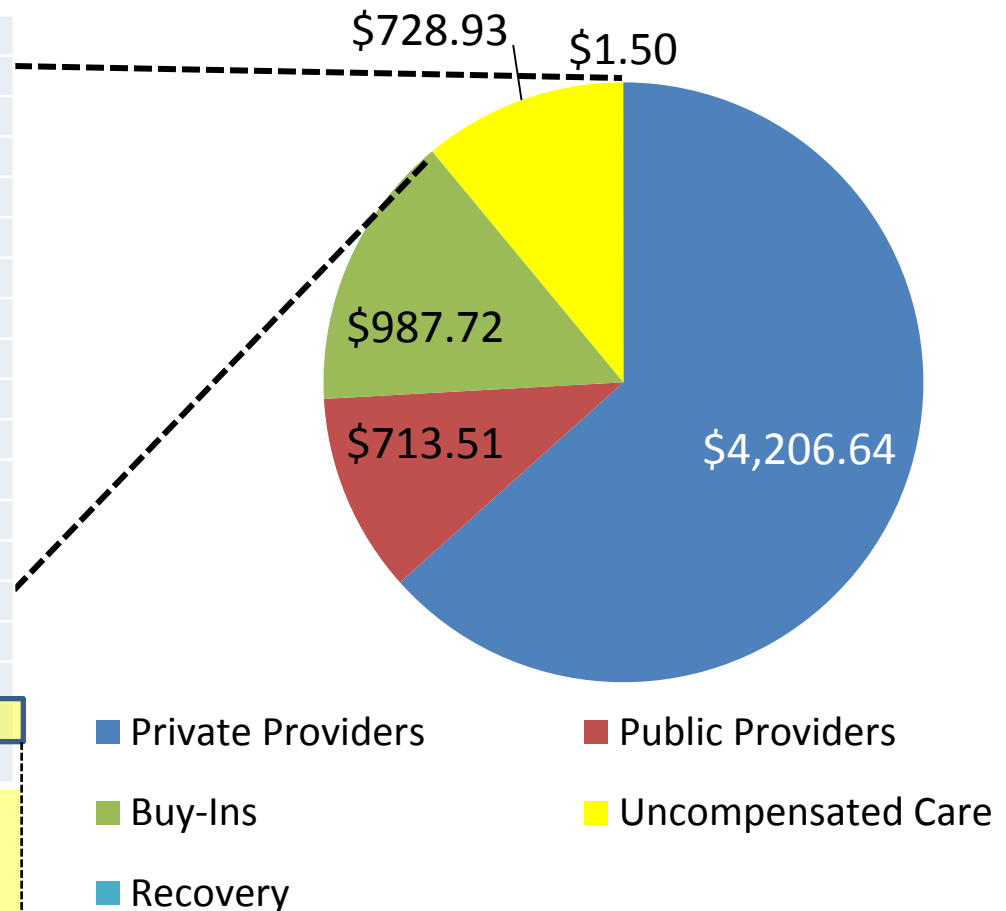
# Where to cut? – Uncompensated Care?

## Where do you get \$264 million?

LSUHSC HCSD	330,250,540
LSUHSC - Shreveport	122,996,915
LSUHSC - E. A. Conway & H. P. Long	24,456,787
<b>Subtotal – LSU Hospitals</b>	<b>477,704,242</b>
OMH Psyc Free Standing Units	57,568,991
Villa Feliciana	1,026,000
GNOCHC 1115 Waiver	25,234,867
Low Income & Needy Care Collaboration	100,000,000
Public Rural Hospitals	26,813,987
Private Rural Hospitals	21,963,210
Public Rural Health Clinics	232,857
Private Rural Health Clinics	765,603
Nonrural Hospitals	7,000,000
Other Hospitals - MHERE	6,312,998
Public & Private Community Hospitals Pool	2,000,000
New 1115 Waiver due to Katrina pool	1,250,000
Demo project: 20 adult acute beds in GNO	1,058,500
<b>Subtotal – Everything Else</b>	<b>251,227,013</b>
<b>TOTAL UCC</b>	<b>728,931,255</b>

**Not all of these items have SGF match. A cut of this size would necessarily impact LSU.**

## FY 12 Executive Budget – in Millions





A large, light blue, stylized human figure logo is positioned on the left side of the slide, partially overlapping the title. The figure is composed of simple, rounded shapes representing the head, torso, and limbs.

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# Fiscal Year 2012 Budget

Senate Finance Committee – June 2011

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