

House Appropriations Subcommittee for
Health and Human Services
Proposed Money Report
FY2009-11

May 28, 2009

Health and Human Services

GENERAL FUND

	FY 09-10		FY 10-11
Recommended Budget	\$5,536,344,939		\$5,806,560,945

Legislative Changes

(1.0) Division of Child Development

1 Adjust Continuation Budget

Adjusts continuation budget to a level at or below FY 2008-09 Authorized Budget.

(\$109,735)	R	(\$109,735)	R
(\$1,327)	NR		

2 Eliminate Positions

Eliminates positions within the Division of Child Development.

(\$87,375)	R	(\$87,375)	R
-3.00		-3.00	

3 Reduce Operating Expenses

Reduces operating expenses within the central management of Division of Child Development.

(\$20,000)	R	(\$20,000)	R
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4 Contracts

Eliminates funds to administer the testing-out of coursework allowed for lead child care teachers. As of July 2008, lead child care teachers may no longer test out of coursework; therefore, these funds are not needed. Reduces a contract for Seat Management.

(\$131,554)	R	(\$131,554)	R
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5 Child Care Subsidy Rate Reduction

Reduces the rate for funds paid to child care centers for subsidy recipients. This reduction represents a 3% rate reduction. These funds are state appropriations within the Division of Child Development and appropriated to North Carolina Partnership for Children.

(\$2,300,000)	R	(\$2,300,000)	R
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6 Child Care Subsidies

Reduces child care subsidies.

(\$14,600,000)	R	(\$14,600,000)	R
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7 Replace State Funds for Child Care Subsidy

Replaces State funding for child care subsidy with one-time Temporary Assistance for Needy Families Block Grant (TANF) contingency funds for FY2009-10.

(\$12,452,484)	NR		
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8 Increase Fees for Child Care Centers and Charge a Fee for Child Care Homes

Increases the existing child care licensure fees by 50% and reduces the State appropriations within the Division of Child Development. Imposes a new fee for child care homes equal to the amount that the smallest centers are required to pay.

(\$602,385)	R	(\$602,385)	R
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9 Federal Recovery Funds for Child Care Subsidy

Increases funds for child care subsidy to reduce the waiting list as allowed by the Federal Recovery Act by \$53,993,329. Increases funds for quality initiations, as allowed by the Federal Recover Act by \$11,519,144. Increases funds to local governments for the administration of the child care subsidy program by \$2,030,661.

10 Reduce Smart Start Funding

(\$10,000,000) R (\$10,000,000) R

Reduces funds for the North Carolina Partnership for Children.

11 Replace State Funding for TEACH Program

Replaces State funds for the TEACH Program with federal receipts for two years.

(\$3,800,000) NR (\$3,800,000) NR

(2.0) Division of Mental Health, Developmental Disabilities, and Substance Abuse Services**12 Adjust Continuation Budget**

(\$74,408,533) R (\$91,641,479) R

Adjusts continuation budget to a level at or below FY 2008-09 Authorized Budget.

13 Contracts

(\$1,900,000) R (\$1,900,000) R

Reduces state funds in contracts by 20% within the Division managed by central management.

14 Eliminate Positions

(\$12,858,290) R (\$12,858,290) R

Eliminates positions within the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.

-465.54 -465.54

15 Local Management Entities System Management Funds

(\$5,000,000) R (\$5,000,000) R

Reduces funds for administration of Local Management Entities.

16 CAP/MR-DD Reduction in State Supplemental Funds

(\$16,000,000) R (\$16,000,000) R

Reduces service funding for supplemental state-funded services provided to CAP/MR-DD patients. Services will still be allowed for room and boarding.

17 Close Bed Units at Broughton and Cherry Hospitals

Eliminates funds for two 25 bed units at Broughton and Cherry Hospitals. Provides \$6 million for contracts for local hospital bed capacity for mental health services.

-102.00 -102.00

18 Federal Funds Payback for Broughton Hospital

Reduces State funds due to a pay-back of federal funds expected from Centers for Medicare & Medicaid Services. An Administrative Law Judge ruled that Broughton Hospital should not have been decertified in August 2007 and that federal funding should not have been withheld. This payback of funds will replace State funds within the DMHDDSAS budget.

(\$8,000,000) NR

19 Non-Core State Operated Services

(\$4,500,000) R (\$4,500,000) R

Reduces funds for non-core mission state operated services.

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20 Non-Core Community Services	(\$4,017,219)	R	(\$4,017,219)	R
Reduces funds for non-core community services provided through local programs.				
21 Operating Expenses	(\$1,250,000)	R	(\$1,250,000)	R
Reduces funds within operating accounts within the division's central office by \$250,000. Reduces funds at the maintenance facilities by \$1,000,000.				
22 Increase Patient Receipts at Alcohol, Drug Abuse Treatment Centers	(\$662,867)	R	(\$1,127,895)	R
Reduces State funds at the ADATCs in anticipation of additional patient revenues collected. This is due to the increased bed capacity available at the ADATCs.				
23 State Funded Services	(\$50,000,000)	R	(\$50,000,000)	R
Reduces funds for state-funded services provided through Local Management Entities.				
24 State Operated Services Purchasing/Financial Savings	(\$2,000,000)	R	(\$2,000,000)	R
Reduces funds due to savings to be achieved from bulk purchasing among state-owned facilities within the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.				
25 Direct Payments to Providers	(\$7,100,000)	R	(\$7,100,000)	R
Reduces state funding for Local Management Entities administrative funding. The reduction represents the total funding paid for Claims Processing. The Division of Mental Health, Developmental Disabilities, and Substance Abuse Services will begin paying providers directly alleviating LME's of claims processing responsibility.				
(3.0) Division of Public Health				
26 Eliminate Positions within Division of Public Health	(\$1,805,121)	R	(\$1,805,121)	R
Eliminates positions within the Division of Public Health.				
	-46.00		-46.00	
27 Adjust Continuation Budget	(\$8,670,368)	R	(\$11,860,655)	R
Eliminates the inflationary increaseses built into the SFY 2008/09 Continuation Budget.				
28 Reduce Operating Budgets	(\$348,363)	R	(\$348,363)	R
Reduces operating budgets within three branches of the Division of Public Health.				
29 Reduce AIDS Drug Assistance Program	(\$3,074,119)	NR	(\$3,074,119)	NR
Reduces State funds used to purchase pharmaceuticals. Pharmaceuticals from the "drug reserve" inventory will be used.				

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30 Vital Records Fee Increase	(\$1,226,403)	R	(\$1,226,403)	R
Reduces State funds by allowing Vital Records operation to become receipt-supported. Fee charged for copy of vital records increased from \$15 to \$24 per copy. Fee charged for expedited out-of-state service increased by \$5.				
31 Reduce Funds for Public Health Incubator Program	(\$950,000)	R	(\$950,000)	R
Reduces State funds for Local Health Services Incubator Grant program.				
32 Shift Positions to Receipt Support	(\$70,541)	R	(\$70,541)	R
Replaces State appropriation with federal WIC funds for public health and regional consultants.				
33 Reduce Community Focused Eliminating Health Disparities Initiative	(\$200,000)	R	(\$200,000)	R
Reduces funds for Community Focused Eliminating Health Disparities Initiative.				
34 Eliminate Positions and Reduce Contracts in Early Intervention Program	(\$660,054)	R	(\$660,054)	R
Eliminates nine vacant positions and reduces contract funding for four Children's Developmental Service Agencies (CDSAs).				
	-9.00		-9.00	
35 Replace State Funds with Federal ARRA Funds for Early Intervention	(\$4,000,000)	NR	(\$4,000,000)	NR
Replaces State appropriations with American Recovery and Reinvestment Act Funds for the Early Intervention/Infant and Toddler Program.				
36 Replace State Funds with Federal Receipts	(\$1,191,155)	R	(\$1,191,155)	R
Replaces State appropriations with Maternal Child Health Block Grant and Medicaid administration funds for several maternal, infant, and child programs.				
37 Eliminate Statewide Contracts	(\$457,967)	R	(\$457,967)	R
Eliminates funds that support the collection and analysis of hospital, family and community data concerning infants and children.				
38 Reduce Contract Funding for Children and Youth	(\$903,965)	R	(\$903,965)	R
Reduces contract funds for three contracts that historically have unobligated funds.				
39 Reduce Funding for Accreditation of Local Health Departments	(\$700,000)	NR	(\$700,000)	NR
Suspends for two years the Division of Public Health's evaluation and accreditation of Local Health Departments (LHDs).				
40 Eliminate Funding for Tick-Borne Disease Program	(\$139,802)	R	(\$139,802)	R
Eliminates the Division of Public Health's funding of the Tick-Borne Disease Program in the Division of Environmental and Natural Resources.				

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41 Eliminate Kidney Disease Purchase of Medical Care Program Eliminates the Kidney Disease Purchase of Medical Care Program that provides up to \$300 for persons with annual incomes up to 100% FPL. Persons with End-Stage Renal Disease are eligible for health care services through Medicare. The program was suspended in January 2009.	(\$160,000)	R	(\$160,000)	R
42 Eliminate Epilepsy Purchase of Medical Care Program Eliminates the Epilepsy Purchase of Medical Care Program that serves a minimum number of persons who have annual incomes up to 100% FPL. The program was suspended in January 2009.	(\$202,000)	R	(\$202,000)	R
43 Eliminate Adult Cystic Fibrosis Program Eliminates the Adult Cystic Fibrosis Purchase of Medical Care program which serves a minimum number of persons. The program was suspended in January 2009.	(\$175,000)	R	(\$175,000)	R
44 Eliminate Funding for the Early Hearing Program Eliminates the Early Hearing Purchase of Medical Care Program that provides hearing devices for infants prior to their being found eligible for the Early Intervention Program. The program was suspended in January 2009.	(\$30,000)	R	(\$30,000)	R
45 Eliminate Funding for Cancer Purchase of Medical Care Program Eliminates the Cancer Purchase of Medical Care Program that provides less than comprehensive services to persons with annual incomes of under 100% FPL. The program was suspended in January 2009.	(\$2,531,934)	R	(\$2,531,934)	R
46 Eliminate Health Education for Children Contract Eliminates the contract with the Alice P. Aycock Center to plan, develop, and provide health education programs to children.	(\$150,000)	R	(\$150,000)	R
47 Eliminate Media Contract Eliminates the media contract through the National Alliance for Tobacco Cessation.	(\$106,746)	R	(\$106,746)	R
48 Eliminate Funds for Tobacco Quit Line Eliminates funding for Tobacco Quit Line. The Quit Line will continue to receive funding from the Health and Wellness Trust Fund.	(\$1,100,000)	R	(\$1,100,000)	R
49 Eliminate State Funds for Professional and Public Education Contract Eliminates state appropriations for contract with the Southern Atlantic American Cancer Society to conduct training on best practices to physicians and local health departments.	(\$371,250)	R	(\$371,250)	R
50 Replaces Funding for Medically Fragile Children Program Replaces State funds with federal TANF Block Grant and Social Services Block Grant funds for the daycare program for medically fragile children in Wake County. TANF and SSBG provide \$360,000 in funding for this program.	(\$70,000)	R	(\$70,000)	R

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51 Replace State Funds with Federal Receipts from Ryan White Funds	(\$209,503)	R	(\$209,503)	R
Replace State appropriations with Federal Ryan White funds for Duke University HIV/STD Pediatric Services Program.				
52 Eliminate Funding for Second Dose Chicken Pox Vaccine	(\$1,223,027)	R	(\$1,223,027)	R
Eliminates funding for the second dose of Varicella vaccine. The second dose is recommended, but not required for children born after April 2001. The second dose is not required by the Universal Vaccine Program				
53 Replace State Funds with ARRA Funds for Childhood Immunization	(\$5,153,105)	NR		
Replaces State appropriations with American Recovery and Reinvestment Act funds \$5,153,105 for one year to purchase of vaccines for children.				
54 Replace State Funds with Third Party Receipts for Immunization	(\$4,000,000)	R	(\$4,000,000)	R
The Department of Health and Human Services will seek third party reimbursement for child and adult immunizations.				
55 Eliminate the Healthy Carolinians Program	(\$995,529)	R	(\$995,529)	R
Eliminates the Healthy Carolinians/Health Education program that establishes multi-agency partnerships at the community level to plan projects guided by the NC 2010 health objectives.				
	-1.00		-1.00	
56 Eliminate Contracts in Chronic Disease Prevention Program	(\$548,755)	R	(\$548,755)	R
Eliminates funds that support non-service contracts, including those associated with epilepsy, osteoporosis, cancer, performance improvement, diabetes, health insurance, smoke alarms, and data links.				
57 Eliminate or Reduce Funding for Contracts in Children & Youth Program	(\$1,504,159)	R	(\$1,504,159)	R
Eliminates or reduces funds for contracts that previously have had unobligated balances or do not provide direct services to women and children, including those associated with children with special needs; conferences and training; and specifically, Healthy Start Foundation and Adolescent Pregnancy Prevention Campaign of North Carolina.				
58 Reduce Funding for School Health Nurses	(\$1,000,000)	R	(\$1,000,000)	R
Reduces state appropriations for School Health Nurses.				
59 Reduces Funding for Office of Chief Medical Examiner	(\$80,000)	R	(\$80,000)	R
Reduces state appropriations for the Office of Chief Medical Examiner to a level consistent with SFY 2008-09.				

60 Reduce Funding for Sickle Cell Care Coordination Program	(\$120,000)	R	(\$120,000)	R
Reduces state appropriations for Sickle Cell Care Coordination program that provides coordination, consultation, referral, education, and other services through five hospitals and universities across the state.				
(4.0) NC Health Choice				
61 Eliminate Inflationary Increase	(\$7,076,746)	R	(\$7,076,746)	R
Eliminates the inflation increase the in the Per Member/Per Month premium cost for Health Choice.				
62 Reduce Operating Expense	(\$23,645)	R	(\$23,645)	R
Reduces various operating accounts that historically have unobligated funds.				
63 Establish/Increase Emergency Room Co-payments for Non-emergency Visits	(\$382,665)	R	(\$482,728)	R
Reduces State funding by establishing a \$50 co-payment for non-emergency visits for families with children enrolled in Health Choice.				
64 Increase Co-Payments for Prescription Drugs	(\$600,000)	R	(\$600,000)	R
Reduces State funding by increasing co-payments for prescription drugs: \$3 for Generic Drugs; \$3 for Brand Name Drugs without Generic Equivalent; \$5 for Brand Name Drugs for families at or below 150% federal poverty level (FPL); and \$10 for families above 151% FPL.				
65 Health Choice Enrollment Freeze	(\$2,542,557)	R	(\$2,542,557)	R
Freeze enrollment in Health Choice as of June 30, 2009. Maintains enrollment at 129,694 children during SFY 2009-10.				
(5.0) Division of Central Management and Support				
66 Adjust Continuation Budget	(\$2,500,117)	R	(\$3,076,484)	R
Adjusts continuation budget to a level at or below FY 2008-09 Authorized Budget.				
67 Reduce Physician Loan Repayment Program	(\$210,000)	R	(\$210,000)	R
Reduces state appropriations and the number of contracts awarded by approximately eight.				
68 Reduce Psychiatric Loan Repayment Program	(\$140,000)	R	(\$140,000)	R
Reduces state appropriations and reduces the number of contracts by two from the prior year.				
69 Eliminates Loan Repayment Initiative at State Facilities	(\$868,519)	R	(\$868,519)	R
Eliminates funding that the General Assembly appropriated in the 2008 Session to recruit medical doctors to the State's mental health hospitals. To date, these funds have not been awarded.				

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70 Reduce Community Health Grants	(\$140,000)	R	(\$140,000)	R
Reduces funding for the Community Health Grant program by 7%, leaving \$1,860,000 recurring. This reduction decreases the number of grants awarded annually by approximately two.				
71 Eliminate Positions	(\$1,330,221)	R	(\$1,330,221)	R
Eliminates twenty-five Central Management and Support positions.				
	-25.00		-25.00	
72 Eliminate Special Appropriations	(\$1,275,000)	R	(\$1,275,000)	R
Eliminates appropriations to non-profits, including the Institute of Medicine, Food Runners, Special Olympics, ALS Association, and Action for Children.				
73 Discontinue CARE-LINE 24/7/365 Operation	(\$128,502)	R	(\$128,502)	R
Eliminates the CARE-LINE third shift.				
	-2.00		-2.00	
74 Reduce Rental Subsidy	(\$1,155,000)	NR		
Reduces funds for transfer to the North Carolina Housing Finance Agency to operate the Key Program. Approximately 310 rental units will not be ready for occupancy in FY2009-10.				
75 Reduce Operating Budgets	(\$349,235)	R	(\$349,235)	R
Reduces operating budgets within Central Management and Support divisions and offices, including the Secretary's Office, the Administrative Support section, the Controller's Office, and the Office of Rural Health and Community Care.				
76 Medicaid Management Information System (MMIS) Replacement				
Appropriates prior-year earned revenue of \$11,071,502 for FY 2009-10 and \$9,820,689 for FY 2010-11 to match federal funds for the MMIS Replacement project. Total receipts of \$55,357,510 for FY 2009-10 and \$49,103,445 for FY 2010-11 offset anticipated requirements.				
77 Federal Recovery Funds for Weatherization Assistance				
Appropriates \$131,954,536 of Federal Recovery funds for weatherization assistance to low-income North Carolinians.				
78 Additional Community Services Block Grant from Federal Recovery Act				
Appropriates Community Services Block Grant (CSBG) funds, \$21,870,834 in FY 2009-10 and \$4,374,166 in FY 2010-11, available through the American Recovery and Reinvestment Act. Federal Recovery funds will increase access to employment supports, food, housing, and health care through services provided by community action and limited purpose agencies. Approximately one percent is set aside for benefit enrollment and coordination.				

(6.0) Division of Social Services

79 Adjust Continuation Budget	(\$15,860,751)	R	(\$15,860,751)	R
Adjusts continuation budget to a level at or below FY 2008-09 Authorized Budget.	(\$1,868,785)	NR		
80 Eliminate Positions	(\$694,570)	R	(\$694,570)	R
Eliminates positions within the Division of Social Services.				
	-30.00		-30.00	
81 Reduce Operating and Contracts Budgets	(\$1,774,570)	R	(\$1,774,570)	R
Reduces operating budgets division-wide.				
82 Work First Cash Assistance Funding	(\$7,178,459)	R	(\$7,178,459)	R
Replaces State funds for Work First cash assistance payments with federal TANF Block Grant funds.				
83 Electing Counties Work First State Funds	(\$2,378,213)	NR		
Replaces State funds with federal TANF Contingency funds for Work First cash assistance payments and Work First county block grants for Electing Counties.				
84 Reduce Funds for Family Resource Centers	(\$200,000)	R	(\$200,000)	R
Reduces funds for Family Resource Center contracts.				
85 Reduce Funds for Child Advocacy Centers	(\$115,000)	R	(\$115,000)	R
Reduces funding for the 21 accredited child advocacy centers statewide, which provide services to abused and neglected children. During its 2008 Session, the General Assembly increased State appropriations by \$350,000 on a recurring basis. This reduction leaves \$460,000 in total funding.				
86 Replace State Funds for Maternity Home Services	(\$105,002)	R	(\$105,002)	R
Replaces State funding for Maternity Home Services with federal TANF Block Grant and Social Services Block Grant funds - \$943,002 is provided in federal block grant funding for provider reimbursements. There are fifteen maternity homes in nine counties providing services to approximately 190 women.				
87 Reduce Funds for NC Reach	(\$1,500,000)	R	(\$1,500,000)	R
Reduces recurring state funding for the NC Reach post-secondary scholarship program for adopted children and those aging out of foster care. Total state funding for scholarships is temporarily suspended for FY2009-10; however, \$3,168,250 is appropriated from the Escheat Fund to support the program.	(\$1,668,250)	NR		
88 Recovery Funds for Foster Care and Adoption Assistance	(\$2,203,516)	NR	(\$1,126,866)	NR
Reduces state appropriations to reflect enhanced federal participation for Title IV-E adoption and foster care assistance payments, effective through December 31, 2010.				

89 Federal Recovery Funds for Child Support Enforcement				
Reduces state appropriations and budgets federal funds to reflect the temporary reinstatement of federal matching of child support incentive funds.	(\$2,214,542)	NR		
90 Eliminate State Funding for Child Welfare Collaborative	(\$261,028)	R	(\$261,028)	R
Eliminates state funding for the Child Welfare Collaborative, which provides financial, educational, and employment support for selected social work students.				
91 Budget Over-realized Receipts	(\$600,000)	R	(\$600,000)	R
Budgets over-realized Child Support receipts.				
92 Reduce State Aid to Counties	(\$5,473,985)	R	(\$5,473,985)	R
Reduces state funding to support costs associated with county administration of public assistance programs.				
93 Eliminate Funding for Child Support Offices			(\$4,082,811)	R
Eliminates state funding for the sixteen state-operated child support offices, and requires the twenty-eight counties served by these offices to fund their operation.				
94 Reduce State/County Special Assistance Rates	(\$3,163,883)	R	(\$3,163,883)	R
Retracts the state/county special assistance rate increase made effective January 1, 2009, and holds those disenfranchised recipients harmless for the change in the standard of need.				
95 Decrease Foster Care & Adoption Assistance Rates			(\$1,122,638)	R
Retracts the standard board rate increases approved by the General Assembly in 2008, but retains non-federal participation and county hold harmless provisions effective January 1, 2009.	\$1,174,026	NR		
(7.0) Office of Education Services				
96 Adjust Continuation Budget	(\$471,414)	R	(\$523,322)	R
Adjusts continuation budget to a level at or below FY 2008-09 Authorized Budget.				
97 Reduce Operating Budget	(\$1,661,090)	R	(\$1,661,090)	R
Reduces operating and contract budgets office-wide.				
98 Eliminate Positions	(\$1,350,212)	R	(\$1,350,212)	R
Eliminates five vacant positions at the North Carolina Schools for the Deaf (NCSD), eleven positions at Eastern North Carolina School for the Deaf (ENCSD), fourteen at Governor Morehead School for the Blind (GMS), and two at Governor Morehead Preschool.				
	-32.00		-32.00	

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99 Eliminate Governor Morehead School Short-Term Outreach Program	(\$151,679)	R	(\$151,679)	R
Eliminates the Short Term Outreach program, which provides weekly camps for approximately 70 children annually to develop orientation and mobility, money-handling, and other skills.	-3.00		-3.00	
100 Reduce Family Resource Center Funds	(\$229,151)	R	(\$229,151)	R
Reduces funds for the Beginnings for Parents of Hearing Impaired Children contract.				
101 Transfer from OES Trust Fund	(\$175,321)	NR		
Transfers available cash balance from various funds within budget code 64424.				
102 Reduce Funding for Residential Schools	(\$7,500,000)	R	(\$7,500,000)	R
Reduces funding for the residential schools for the deaf and blind, subject to schools' recommendations for decreasing recurring costs.				
(8.0) Divisions of Services for the Blind and Services for the Deaf and Hard of Hearing				
103 Adjust Continuation Budget	(\$222,013)	R	(\$280,955)	R
Adjusts continuation budget to a level at or below FY 2008-09 Authorized Budget.				
104 Eliminate Vacant Positions	(\$130,777)	R	(\$130,777)	R
Eliminates vacant positions within the Divisions of Services for the Blind and Services for the Deaf and Hard of Hearing.	-5.00		-5.00	
105 Reduce Operating Budget	(\$107,712)	R	(\$107,712)	R
Reduces operating budgets division-wide.				
106 Replace State Funds with Federal Receipts	(\$150,000)	R	(\$150,000)	R
Budgets Basic Support Vocational Rehabilitation Grant funds and reduces State appropriations.				
107 Transfer from Telecommunications Relay Trust Fund	(\$7,000,000)	NR		
Transfers \$7,000,000 of available cash balance from the Telecommunication Relay Trust fund.				
108 Replace State Funds with Federal Recovery Funds	(\$260,590)	NR	(\$260,590)	NR
Reduces state funds for the older blind individuals program and budgets federal recovery funds for vocational rehabilitation services (\$2,974,779) and the older blind individuals independent living program (\$1,042,363).				
(9.0) Division of Vocational Rehabilitation				
109 Adjust Continuation Budget	(\$1,181,339)	R	(\$1,511,633)	R
Adjusts continuation budget to a level at or below FY 2008-09 Authorized Budget.				

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110 Eliminate Positions	(\$329,960)	R	(\$329,960)	R
Eliminates five positions within Vocational Rehabilitation.				
	-5.00		-5.00	
111 Reduce Basic Support Case Services	(\$3,612,025)	R	(\$3,612,025)	R
Reduces State appropriations for non-medical consumer purchases.				
112 4% Service Rate Adjustment	(\$113,177)	R	(\$113,177)	R
Reduces provider rates by 4%.				
113 Replace State Funds with Federal Recovery Funds				
Replaces state funds for the independent living program and budgets anticipated federal recovery funds for vocational rehabilitation services (\$15,054,221) and independent living (\$402,340).	(\$201,170)	NR	(\$201,170)	NR
(10.0) Division of Aging and Adult Services				
114 Reduce Home and Community Care Block Grant	(\$2,594,744)	R	(\$2,594,744)	R
Continues reduction taken in current fiscal year in the Home and Community Care Block Grant.				
115 Removal of Continuation Increases	(\$255,561)	R	(\$255,561)	R
Adjusts continuation budget to a level at or below FY 2008-09 Authorized Budget.				
116 Eliminate Positions	(\$16,025)	R	(\$16,025)	R
Eliminates positions within the Division of Aging and Adult Services.				
	-1.00		-1.00	
117 Eliminate Quality Improvement Consultation Program	(\$190,204)	R	(\$190,204)	R
Eliminates a contract and position that supported a Quality Improvement Program pilot for Adult Care Homes.				
	-1.00		-1.00	
118 Eliminate Senior Center Outreach Program	(\$100,000)	R	(\$100,000)	R
Eliminates funding for the Senior Center Outreach Program, previously allocated to the 17 Area Agencies on Aging to promote the use of services available through senior centers.				
119 Operating Reductions	(\$90,466)	R	(\$90,466)	R
Continues Governor's reduction on travel, supplies, printing, and other operating expenses.				
120 Replace Home and Community Care Block Grant Funds				
Replace funding for the Home and Community Care Block Grant, which provides funding for in-home and community-based services for seniors. The \$2,768,783 reduction in State appropriations will be offset by federal recovery funds for senior nutrition services.	(\$2,768,783)	NR		

121 Senior Community Service Employment

The Senior Community Service Employment Program (SCSEP) places economically disadvantaged individuals 55 years of age and older with an income at or below 125% of the federal poverty level into part-time community service programs while transitioning clients into unsubsidized employment. Currently, five Area Agencies on Aging provide employment services in 25 counties. \$621,560 in federal recovery funds will be available to support the program. Twenty percent of funds must be spent in the current year. The remaining funds (\$497,248) and the required local match (\$55,250) are budgeted as receipt-supported activities.

(11.0) Division of Medical Assistance

122 Reduce Community Support Services	(\$59,772,501)	R	(\$116,530,001)	R
Reduces community support services in the first year, to begin phasing out service completely in the second year. Retains 25% of funding in second year to account for EPSDT services.				
123 Contract Adjustments	(\$1,594,749)	R	(\$1,594,749)	R
Reduces various administrative contracts.				
124 Eliminate MH Residential Services - Therapeutic Camps	(\$1,573,100)	R	(\$1,893,125)	R
Eliminates funding for therapeutic camps for developmentally disabled, an optional Medicaid service.				
125 Mandate Use of Web-based PASARR	(\$350,000)	R	(\$350,000)	R
Mandates the use of the web-based PASARR screening for mental health issues for nursing facilities and adult care homes.				
126 Single Source Durable Medical Equipment (DME)	(\$3,509,312)	R	(\$3,563,857)	R
Reduces appropriations for DME by purchasing in bulk from a single source.				
127 Dental Policy Adjustments	(\$3,689,582)	R	(\$3,746,930)	R
Reduces appropriations to account for dental policy changes on sealants and imaging.				
128 Mandate EFT Payments	(\$1,200,000)	R	(\$1,200,000)	R
Reduces appropriations by mandating payment of claims by electronic fund transfers.				
129 Reduce PT/OT/ST	(\$2,735,850)	R	(\$3,566,855)	R
Reduces physical therapy, occupational therapy, and speech therapy coverage, an optional service in Medicaid.				
130 Removal of Continuation Increases	(\$490,712,278)	R	(\$749,573,567)	R
Adjusts continuation budget to a level at or below FY 2008-09 Authorized Budget.				
131 Projected Medicaid Growth	\$115,000,000	R	\$215,000,000	R
Adjusts continuation budget to allow for caseload growth.				

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132 Emergency Room Copayment for Nonemergency Visits Establishes a \$50 copayment for nonemergency visits to emergency departments.	(\$2,975,070)	R	(\$3,945,037)	R
133 Institute Nursing Home Rate Reduction Institutes an additional rate reduction for nursing homes.	(\$9,195,114)	R	(\$9,776,920)	R
134 Freeze CAP Slots Freezes Community Alternative Programs slots for disabled adults and people with mental retardation and developmental disabilities.	(\$14,646,956)	R	(\$15,274,842)	R
135 Quarterly Printing of Medicaid ID cards Reduces appropriations by printing Medicaid identification cards on a quarterly basis instead of monthly.	(\$1,750,000)	R	(\$1,750,000)	R
136 Consolidate Case Management Services Reduces appropriations by consolidating case management services throughout the Medicaid program.	(\$53,730,905)	R	(\$85,463,000)	R
137 Imaging Contract Reduces appropriations for labs and imaging by utilizing a vendor to contain costs.	(\$6,759,375)	R	(\$8,237,322)	R
138 4% Rate Reductions Reduces rates by 4% across Medicaid providers and services.	(\$91,386,009)	R	(\$116,517,162)	R
139 Reduce Group Homes Reduces funding for High Risk Intervention Level III and IV group homes.	(\$31,721,919)	R	(\$38,175,309)	R
140 Reimbursement for Prescription Drugs Changes reimbursement for prescription drugs from Average Wholesale Price (AWP) - 10% to Wholesale Acquisition Cost (WAC) + 7%.	(\$10,457,042)	R	(\$13,942,723)	R
141 Increase CCNC Savings Reduces appropriations through case management by Community Care of North Carolina.	(\$82,205,042)	R	(\$98,501,004)	R
142 Mandate Electronic Claims Filing Reduces appropriations by mandating that providers billing Medicaid file claims electronically.	(\$472,500)	R	(\$472,500)	R
143 Dental Coverage Reduces dental benefits for adults, an optional service in Medicaid.	(\$7,500,000)	R	(\$7,500,000)	R
144 Reduce Hospice Services Reduces funding for hospice services, an optional service in Medicaid.	(\$5,000,000)	R	(\$5,000,000)	R

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145 Eliminate Positions	(\$559,031)	R	(\$559,031)	R
Eliminates positions within the Division of Medical Assistance.	-15.00		-15.00	
146 Reduce Prescription Drug Costs	(\$25,791,264)	R	(\$30,214,013)	R
Reduces prescription drug expenditures by employing the following actions: enhancing utilization management of the Prescription Advantage List (PAL), increasing utilization of generic drugs in place of brand name drugs, and increasing rebate collections on generic drugs. If sufficient savings are not realized by these actions, the department shall implement a preferred drug list for all drug classes in the Medicaid program. Generic drugs and brandname drugs that offer supplemental rebates will be included.				
147 Enhance Third Party Liability Recoveries and Cost Avoidance	(\$20,000,000)	R	(\$20,000,000)	R
Reduces medical assistance payments by increasing payment by third parties and increasing cost avoidance through better utilization of technology and other Medicaid cost-containment activities.				
148 Implement False Claims Act			(\$2,229,757)	R
Increases the amount North Carolina can retain from fraud and abuse recoveries by implementing provisions that meet federal False Claims Act standards. The 10% bonus is expected to generate about \$2.4 million annually. Of the amount collected, \$176,068 will be used to support 5 positions at the Attorney General's Office to implement the act. Net collections will be offset by a reduction to State appropriations.				
149 Modify Personal Care Services Benefits	(\$49,341,460)	R	(\$62,326,055)	R
Reduces personal care services benefits to reduce overutilization of services. Effective October 1, 2009.				
150 Eliminate HIV Case Management	(\$1,671,299)	R	(\$2,111,115)	R
Eliminates funds for HIV case management services.				
151 Eliminates Funding for CCNC-Health Choice	(\$900,000)	R	(\$900,000)	R
Eliminates the per member/per month payment to the Community Care of North Carolina networks associated with Health Choice enrollees.				
152 Reduction in Medical Assistance Payments	(\$741,263,762)	NR	(\$340,292,402)	NR
Reduces Medical Assistance payments to be offset by federal recovery funds.				
(12.0) Division of Health Service Regulation				
153 Hospice Facilities Annual Fee	(\$79,200)	R	(\$79,200)	R
Establishes an annual fee for hospice facilities.				

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	FY 09-10		FY 10-11	
154 Eliminate Positions	(\$444,518)	R	(\$444,518)	R
Eliminates positions within the Division of Health Service Regulation.	-7.00		-7.00	
155 Operating Freeze	(\$466,688)	R	(\$466,688)	R
Continues freeze on operating expenses from the FY 2008-09 budget (Other Operating - 2xxx-5xxx, Fund 1311 Rent/Lease-Bldg/Office).				
156 Increase Fees for License Renewals	(\$1,093,788)	R	(\$1,093,788)	R
Increases licensing fees to health care facilities regulated by the division and reduces State appropriation in a similar amount. The cost of administering the licensure program is shared with facilities.				
157 Eliminate Two Vacant Positions in Medical Facilities Construction	(\$164,640)	R	(\$164,640)	R
Eliminates two vacant positions in the Medical Facilities Construction Section, which review construction plans, make on-site inspections, and provide consultation to ensure compliance with federal and State standards. The reduction will reduce the number of section staff to 63 FTEs.	-2.00		-2.00	
158 Charge Fee for Initial Facility License	(\$29,202)	R	(\$29,202)	R
Reduces State appropriations by amount generated by initial facility license fees for new facilities. Fees would apply to adult care homes, hospitals, home care, nursing homes, and mental health facilities.				
Total Legislative Changes	(\$1,182,179,998)	R	(\$1,533,105,798)	R
	(\$799,164,941)	NR	(\$353,455,147)	NR
Total Position Changes	-754.54		-754.54	
Revised Budget	\$3,555,000,000		\$3,920,000,000	