

Agency of Human Services – Fiscal Pressures

Joint Fiscal Committee

November 4, 2019

Act 72 of 2019 Session, Sec. E.300.9

Sec. E.300.9 REPORT TO THE JOINT FISCAL COMMITTEE ON FISCAL PRESSURES

(a) The Secretary of Human Services shall report to the Joint Fiscal Committee at its November 2019 meeting on the following fiscal issues:

(1) the most current estimate of timing related to the 12 beds being developed for State priority use at the Brattleboro Retreat and the fiscal year 2020 and 2021 funding implications. The Secretary shall estimate the additional needs for State funds and sources to provide funding the Administration is considering in the fiscal year 2021 budget presentation to the Legislature;

(2) the impact of the change in of Federal Children's Health Insurance match (CHIP) match on the fiscal year 2021 budget and what steps may be recommended to offset the loss of funds; and

(3) any other fiscal pressures due to changes in federal funds or other program-related changes in costs or caseloads in fiscal year 2021 budget presentation to the Legislature;

Status of the 12 Level-1 Beds at the Brattleboro Retreat

- Construction is on-time and scheduled to be completed in the Spring of 2020 (May)
- Operating Funds
 - FY20 Operating funds are covered within existing FY20 appropriation of \$1.1M gross
 - Annualized costs of an additional \$4.4M gross will be included in FY21 budget
 - Total annualized operating costs of \$5.5M gross/\$2.5M GF
- Capital Funds
 - Estimated cost of construction has increased by \$1.7M

Federal Children's Health Insurance Match – “CHIP DIP”

- CHIP funding has a special provision called the qualifying state option. This allows Vermont to draw the CHIP enhanced funding (~90% FMAP) for children between 133% and 237% FPL with regular Medicaid (GC) claims.
- The current amount in the FY20 base in the Global Commitment appropriation is \$15,367,779.
- Congress reauthorized CHIP funding in FFY18 but included a phasedown to the FFP % of enhanced funding beginning in FFY20.
- In SFY21, the CHIP FMAP will be 70.95%. This represents a loss of approximately \$4.8M in enhanced federal funding, therefore, creating GF pressure.
- This phasedown will continue into SFY22 with an additional amount of \$5M GF pressure.
- The phasedown of the enhanced FFP will also affect the AHS Departments that have regular CHIP claims.

Other Fiscal Pressures

- FY19 closeout issues:
 - DCF – FSD Caseload
 - DCF – General Assistance – Emergency Housing
- 211 Contract
- Delivery System Reform Investments
- LIHEAP Block Grant