


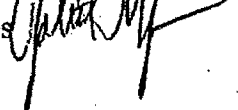
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MEMORANDUM

TO: Neale F. Lunderville, Secretary of Administration

FROM: Jim Giffin, AHS CFO 

THROUGH: Robert Hofmann, Secretary, Agency of Human Services 

DATE: June 2, 2010

RE: Global Commitment Closeout Adjustments

Please find attached a list of requested Global Commitment adjustments that reflect the AHS closeout plan for Agency Central Office and our Departments. These adjustments total less than 1% of the appropriated amount for the Global Commitment fund.

Some key points on this year's adjustments.

- We made the full annual cap payment on June 1st for first time since we went to prospective capitated payments. There was no "short-pay" to roll into FY11, avoiding a CAFR liability and we start FY11 without any GC payment shortfall to make up with the July 1 payment. This is excellent news, and validates the collective decision to use the caseload reserve in the FY10 BAA to address the expected shortfall and maximize ARRA funds.
- This plan maximizes the use of the HIT fund to cover Global Commitment expenditures in FY10.
- The plan covers the deficit in fund 21834 HE- Medicaid in Schools that was created in the FY07 closeout.
- I expect the full \$43M GC carry forward planned for in the SFY11 appropriations act available in the GC fund June 30, 2010. Confirmation will come in July after the books are closed.
- The only concern is that OVHA estimates that State-Only appropriation (that includes GC and Catamount receipts), will not meet the savings that were expected from increased



pharmacy rebates in FY10 leaving a potential \$1.5M shortfall. When the State receives the pharmacy rebates OVHA must then parse them between GC and State-Only expenses. The initial allocation of impact among the programs remains an estimate until further work is completed. Also, there is great variability week to week in these receipts and the \$1.5M need is based upon the best available information today.

- The GF transfers from AHS-GC to the AHS Secretary's Office and Human Services Board reflect the structural amounts of unused GF available for match to these appropriations.
- Other changes reflect the ebb and flow of Medicaid and servicing consumers in different appropriations.

These adjustments reflect the approved process for limited Appropriation adjustments per Section 86 of the SFY2010 Budget Adjustment Act (see next page for detail).

Finally, we do not anticipate additional adjustments under the following provision. However, we may need further adjustments the last week of June due to the variances in the weekly Medicaid draw, the drug company refunds and the final Medicaid payment processed on June 30th. We will keep you informed.

AHS ADJUSTMENTS ON ATTACHED SPREADSHHET

- Human Services Board
- AHS Central Office
- Office of Vermont Health Access
- Vermont Department of Health
- Department of Mental Health
- Department of Disabilities, Aging, and Independent Living
- Department for Children and Families

Approved:

Tom Bell 6/4/10

[Signature] 6/3/10

Date:

Neale F. Lunderville
Secretary of Administration

Sec. 86. GLOBAL COMMITMENT APPROPRIATIONS; TRANSFER; REPORT¹

In order to facilitate the end-of-year closeout for fiscal year 2010, the secretary of human services, with approval from the secretary of administration, may make transfers among the appropriations authorized for Medicaid and Medicaid-waiver program expenses, including Global Commitment appropriations outside the agency of human services. At least three business days prior to any transfer, the agency shall submit to the joint fiscal office a proposal of transfers to be made pursuant to this section. A final report on all transfers made under this section shall be made to the joint fiscal committee for review at the September 2010 meeting. The purpose of this section is to provide the agency with limited authority to modify the appropriations to comply with the terms and conditions of the Global Commitment for Health waiver approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

¹ <http://www.leg.state.vt.us/docs/2010/Acts/ACT067.pdf>

**Global Commitment SFY10
AHS GC Closeout Adjustments**

Department	Dept ID	Purd Codes	General 10000	Calamount 21196	HIT 21916	HE-Medicaid in Schools 21834	NOT 21500	Federal 22005	ARRA Federal 22040	Global Commitment 20408	Total
AHS	3400010000	Human Services Board									
		State Share from GC 50/50 non-MCO Admin to GF - cover unnamed Federal (GC) Admin	69,496				(69,496)				0
AHS	3400010000	AHS Secretary's Office									
		State Share from GC 50/50 non-MCO Admin to GF - cover unnamed Federal (GC) Admin	271,636				(271,636)				0
DRS	3400000000	Division of Rate Setting									
DOC	3480004000	Correctional Services									
TOTAL AHS/DRS/DOC			341,132				(341,132)				0
OVHA	3410010000	Administration									
		neutral transfer from OVHA Admin to OVHA State Only appropriation to cover pharmacy issue	(75,000)								(75,000)
		neutral transfer of earned Calamount admin from OVHA State Only to OVHA Admin appropriation		209,828							209,828
		neutral transfer of HIT funds from OVHA Admin to GC Appropriation			(628,619)						(628,619)
	3410010000	Global Commitment									0
	3410017000	State Only									0
		neutral transfer from OVHA Admin to OVHA State Only appropriation to cover pharmacy issue	75,000								75,000
		neutral transfer from OVHA non-waiver to OVHA State Only approp to cover pharmacy issue	150,000								150,000
		neutral transfer from AHSCO GC to OVHA State Only to cover pharmacy issue	438,033								438,033
		neutral transfer of earned Calamount admin from OVHA State Only to DCF Admin appropriation	154,516	(154,516)							0
		neutral transfer of earned Calamount admin from OVHA State Only to OVHA Admin appropriation		(209,828)							(209,828)
		neutral transfer from VDH ADAP to OVHA State Only to cover pharmacy need	258,381								258,381
		neutral transfer from AHSCO GC to OVHA State Only to cover pharmacy issue	412,618								412,618
	3410010000	Non-Waiver Matched									0
		neutral transfer from OVHA non-waiver to OVHA approp to cover pharmacy issue	(150,000)								(150,000)
TOTAL OVHA			1,263,340	(184,818)	(628,619)						480,412
VDH	3420010000	Admin & Support									
		neutral transfer from VDH PH to VDH Admin								450,000	450,000
	3420021000	Public Health									0
		neutral transfer from VDH PH to VDH Admin							(450,000)		(450,000)
		neutral transfer from VDH PH to ADAP							(1,071,000)		(1,071,000)
	3420060000	ADAP									0
		neutral transfer from VDH PH to ADAP							1,071,000		1,071,000
		neutral transfer from VDH ADAP to OVHA State Only to cover pharmacy need	(258,381)								(258,381)
TOTAL VDH			(258,381)								(258,381)
DNH	3150070000	Mental Health									
		neutral transfer from DMH to DAIL Admin for Elderly Guardianship evaluations								(17,358)	(17,358)
		neutral transfer from DAIL VR to DMH								181,125	181,125
		neutral transfer from DAIL DS to DMH								7,418	7,418
	3150080000	Vermont State Hospital									0
TOTAL DMH										161,185	161,185

**Global Commitment SFY10
AHS GC Closeout Adjustments**

Department	Dept ID	Fund Codes	General 10000	Catamount 21198	HIT 21918	HE-Medicaid In Schools 21834	IDT 21500	Federal 22805	ARRA Federal 22040	Global Commitment 20408	Total
DDAIL	3460010000	Administration & Support									
		neutral transfer from DMH to DAIL Admin for Elderly Guardianship evaluations								17,358	17,358
		neutral transfer from DS to DAIL Admin								650,000	650,000
											0
	3460020000	DAIL Grants									
		neutral transfer from DS to DAIL Grants								150,000	150,000
											0
	3460030000	Blind and Visually Impaired									
											0
	3460040000	Vocational Rehabilitation									
		neutral transfer from DS to VR								191,125	191,125
		neutral transfer from DAIL VR to DMH								(191,125)	(191,125)
											0
	3460050000	Developmental Services									
		neutral transfer from DS to DAIL Admin								(650,000)	(650,000)
		neutral transfer from DS to DAIL Grants								(150,000)	(150,000)
		neutral transfer from DS to TBI								(480,000)	(480,000)
		neutral transfer from DS to VR								(191,125)	(191,125)
		neutral transfer from DAIL DS to DMH								(7,418)	(7,418)
											0
	3460070000	TBI, Home & Comm. Based Waiver									
		neutral transfer from DS to TBI								480,000	480,000
											0
TOTAL DDAIL										(181,187)	(181,187)
DCF	3440010000	Administration & Support Services									
		neutral transfer from DCF Admin to DCF GA								(175,000)	(175,000)
		neutral transfer of earned Catamount admin from OVHA State Only to DCF Admin appropriation	(154,516)	154,516							0
											0
	3440020000	Family Services									
	3440030000	Child Development									
	3440130000	Disability Determination Services									
	3440080000	Aid to Aged, Blind, and Disabled									
	3440060000	General Assistance									
		neutral transfer from DCF Admin to DCF GA								175,000	175,000
											0
	3440090000	Reach Up									
											0
TOTAL DCF			(154,516)	154,516							
		Net by fund:	1,191,764		(628,619)		(341,132)				222,033
AHSCO	34000040000	Secretary's Office									
		Global Commitment									
		neutral transfer from AHSCO GC to OVHA to cover pharmacy issue	(449,734)								(449,734)
		payact GF Increase	11,701								11,701
		neutral transfer of HIT funds from OVHA Admin to GC Appropriation			628,619						628,619
		neutral transfer of HIT funds from OVHA Admin to GC Appropriation			(628,619)						0
		cover prior year deficit in Special Fund 21834	(216,000)			216,000					0
		neutral transfer from AHSCO GC to OVHA to cover pharmacy issue	(412,619)								(412,619)
		non-MCO Admin Impact:									
		State Share from GC 50/50 non-MCO Admin to GF - cover unearned Federal (GC) Admin. - Human Service Board	(69,488)					(69,488)			(138,982)
		State Share from GC 50/50 non-MCO Admin to GF - cover unearned Federal (GC) Admin. - AHS CO	(271,636)					(271,636)			(543,272)
SUBTOTAL AHSCO			(779,165)			216,000		(341,132)			(438,033)
		HIT Reduction 21834 fix	(628,619)								
			216,000								
			(1,191,764)								