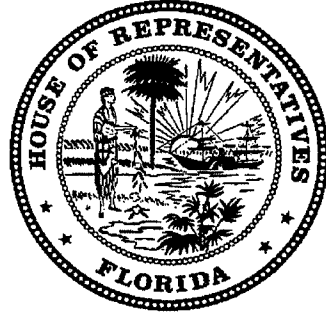




Health Care Appropriations Subcommittee

Meeting Packet

**February 8, 2011
1:00 p.m. – 4:00 p.m.
Webster Hall**



AGENDA

Health Care Appropriations Subcommittee

February 8, 2011

1:00 p.m. – 4:00 p.m.

Webster Hall

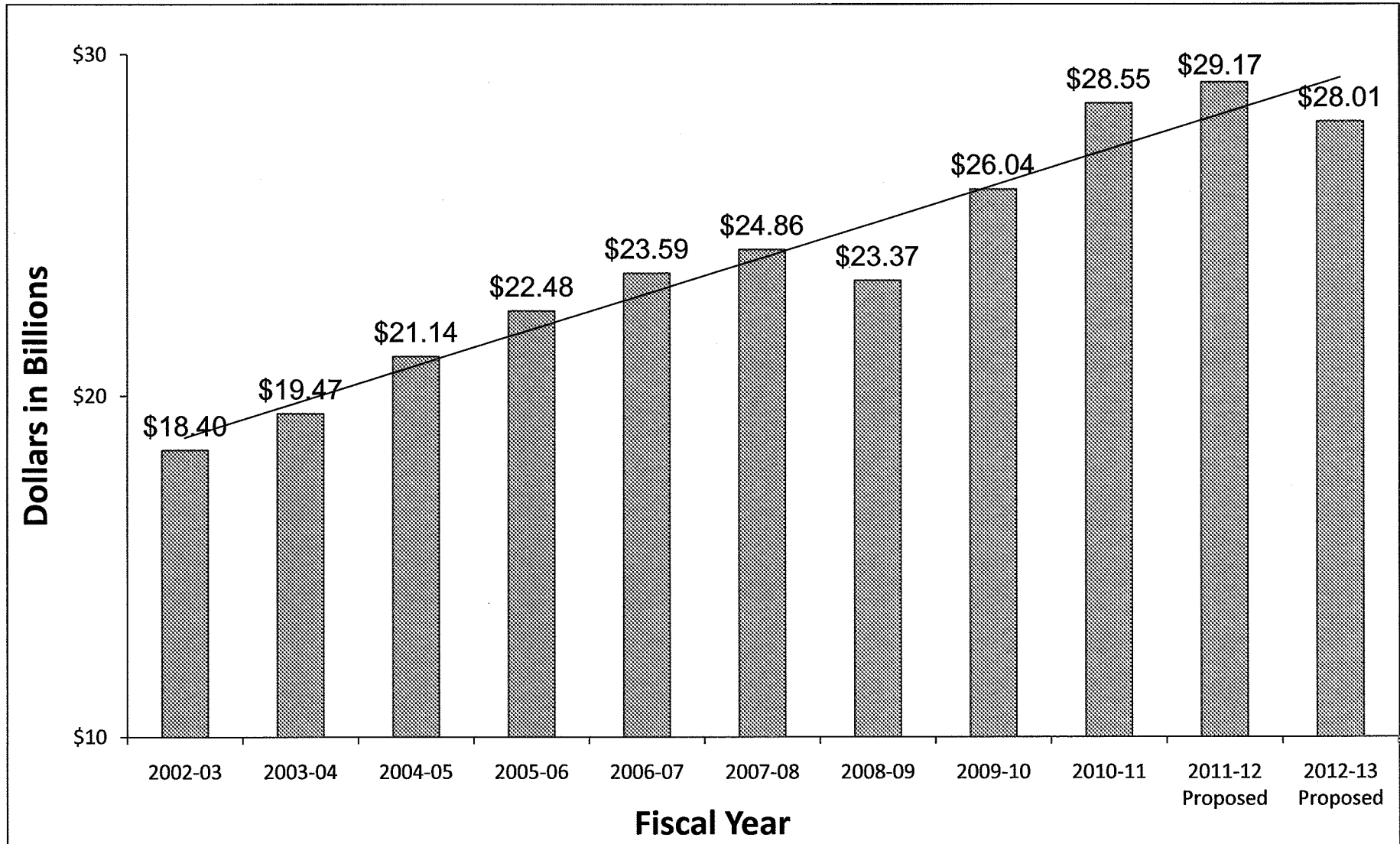
- I. Call to Order/Roll Call
- II. Introduction and Opening Remarks
- III. Presentation of the Governor's Recommended Budget for FY 2011-12
 - Jane Johnson, Policy Coordinator, Office of Policy & Budget
- IV. Closing Remarks/Adjournment

GOVERNOR RICK SCOTT
“Let’s Get to Work”



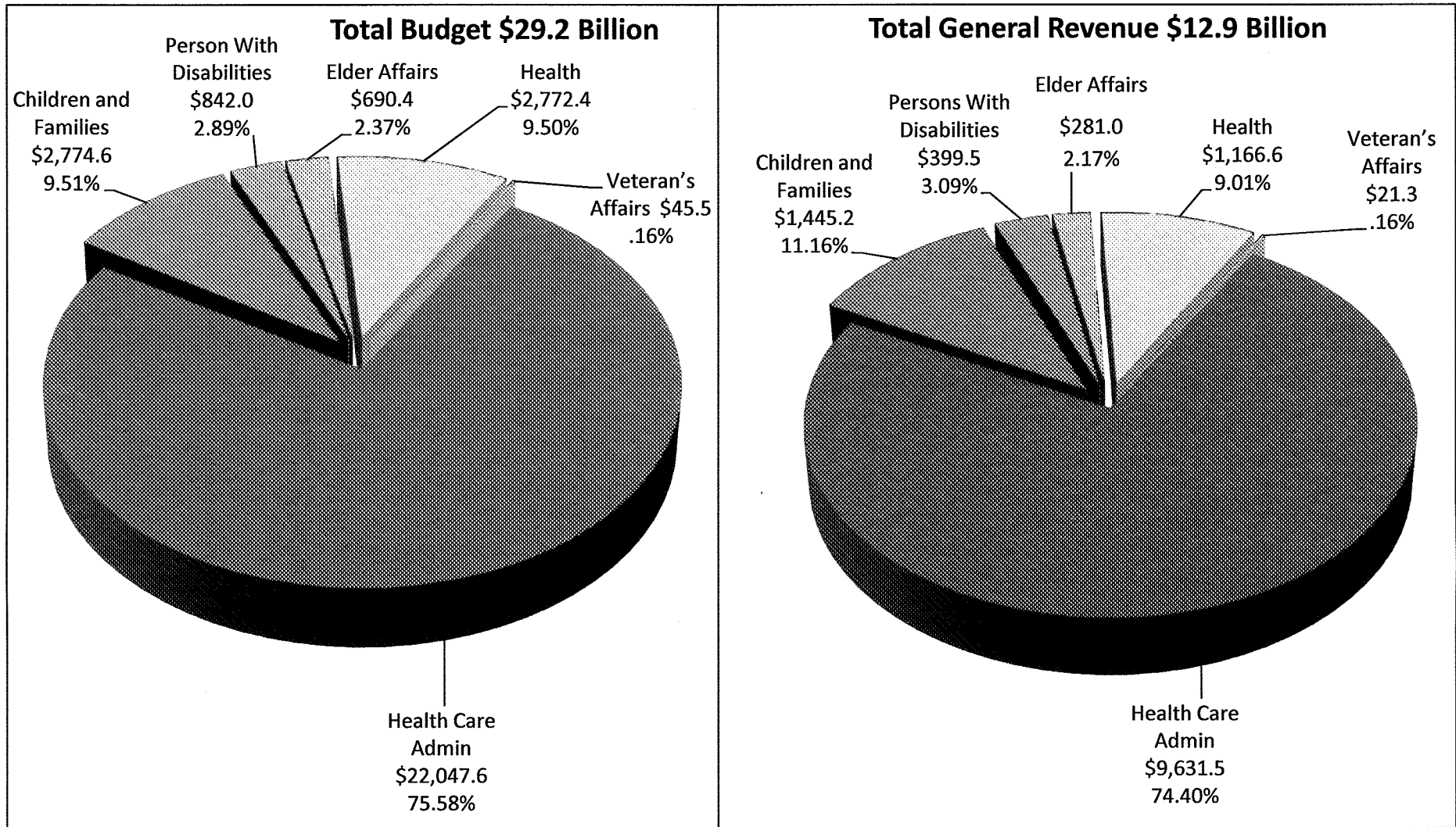
Policy and Budget Recommendations

History of HHS Appropriations



7 Steps, 700,000 Jobs, 7 Years. — Let's Get to Work.

Budget by Agency - FY 2011-12



Budget by Agency – Two Fiscal Years Compared

| Agency | Fiscal Year 2011-12 | | | Fiscal Year 2012-13 | | |
|---------------------------------------|---------------------|----------------|-----------|---------------------|----------------|-----------|
| | General Revenue | All Funds | Positions | General Revenue | All Funds | Positions |
| Agency For Health Care Administration | 9,631,512,755 | 22,047,600,988 | 1,577.50 | 9,145,600,908 | 20,970,723,803 | 1,577.50 |
| Children and Families | 1,445,278,468 | 2,774,654,576 | 11,337.75 | 1,437,625,234 | 2,766,516,370 | 8,820.75 |
| Agency for Persons With Disabilities | 399,516,255 | 842,021,943 | 2,922.50 | 395,190,796 | 833,723,762 | 2,162.50 |
| Elder Affairs | 281,063,375 | 690,496,236 | 428.00 | 281,050,213 | 690,131,424 | 428.00 |
| Health | 1,166,646,072 | 2,772,440,290 | 16,488 | 1,166,625,063 | 2,743,001,931 | 16,488 |
| Veteran's Affairs | 27,315,766 | 45,520,459 | 616.50 | 5,570,848 | 6,655,587 | 122.50 |



Governor Scott's Solution

1. Accountability Budgeting

2. Reduce Government Spending

3. Regulatory Reform

4. Focus on Job Growth and Retention

5. World Class Education

6. Reduce Property Taxes

7. Eliminate Florida's Corporate Income Tax



Implementing Governor Scott's Solutions

Guiding Principles

- Should government perform this function?
- Is this a core function of the agency?
- Avoid duplication with other agencies, the locals and the feds
- Eliminate mission creep
- Consolidate/merge similar functions, when appropriate
- Eliminate non-core functions
- Eliminate trust funds, where appropriate

The New Look

| <i>Line Item#</i> | Current | |
|-----------------------|--|-----------------|
| | Program: Substance Abuse Program | |
| | Substance Abuse Services | |
| | Approved Salary Rate 3,668,623 | |
| 1 | Salaries And Benefits | Positions 78.00 |
| | From General Revenue Fund | 2,541,053 |
| | From Administrative Trust Fund | 7,504 |
| | From Alcohol, Drug Abuse and Mental Health Trust Fund | 1,666,783 |
| | From Federal Grants Trust Fund | 574,871 |
| | From Grants and Donations Trust Fund | 11,680 |
| | From Welfare Transition Trust Fund | 176,840 |
| 2 | Other Personal Services | |
| | From General Revenue Fund | 314,204 |
| | From Alcohol, Drug Abuse and Mental Health Trust Fund | 534,100 |
| | From Federal Grants Trust Fund | 546,935 |
| | From Operations and Maintenance Trust Fund | 314 |
| 3 | Expenses | |
| | From General Revenue Fund | 241,786 |
| | From Alcohol, Drug Abuse and Mental Health Trust Fund | 363,637 |
| | From Federal Grants Trust Fund | 312,788 |
| | From Welfare Transition Trust Fund | 28,420 |
| | From Operations and Maintenance Trust Fund | 1,925 |
| 4 | Operating Capital Outlay | 318 |
| | From General Revenue Fund | 334 |
| | From Alcohol, Drug Abuse and Mental Health Trust Fund | 333 |
| | From Federal Grants Trust Fund | |
| 5 | Special Categories - Grants and Aids - Children and Adolescent | |
| | Substance Abuse Services | |
| | From General Revenue Fund | 39,984,310 |
| | From Alcohol, Drug Abuse and Mental Health Trust Fund | 28,578,869 |
| | From Tobacco Settlement Trust Fund | 2,860,907 |
| | From Federal Grants Trust Fund | 211,066 |
| | From Welfare Transition Trust Fund | 640,000 |
| | From Operations and Maintenance Trust Fund | 84,918 |
| 6 | Special Categories - Community Substance Abuse Services | |
| | From General Revenue Fund | 37,111,921 |
| | From Alcohol, Drug Abuse and Mental Health Trust Fund | 72,504,247 |
| | From Federal Grants Trust Fund | 12,393,874 |
| | From Welfare Transition Trust Fund | 5,571,170 |
| | From Operations and Maintenance Trust Fund | 1,907,777 |

| <i>Line Item#</i> | Proposed | |
|-----------------------|--|------------|
| | Program: Services to Children | |
| | Children's Substance Abuse Services | |
| | This service provides treatment to assist children and adolescents with substance abuse issues through community-based providers through provision of prevention, detoxification treatment, continuing care, and recovery support services for children. | |
| | From General Revenue Fund | 41,534,747 |
| | From Alcohol, Drug Abuse and Mental Health Trust Fund | 28,906,207 |
| | From Tobacco Settlement Trust Fund | 2,860,907 |
| | From Federal Grants Trust Fund | 211,066 |
| | From Welfare Transition Trust Fund | 640,000 |
| | From Operations and Maintenance Trust Fund | 85,779 |
| | Funds in Specific Appropriation 1 shall be used to successfully complete a treatment program for 86% of the children enrolled in treatment programs. | |
| | Funds in Specific Appropriation 1 shall be used to reduce the rate per thousand children in grades eight through twelve using marijuana or alcohol to below the national average. | |



Reduce Government Spending Paving the Way to a Smaller, More Efficient Government

| <i>Reductions and Savings</i> | <i>Fiscal Year 2011-12</i> | | | | <i>Fiscal Year 2012-13</i> | | | |
|--|----------------------------|---------------|------------------|------------|----------------------------|---------------|------------------|------------|
| | <i>General Revenue</i> | <i>All TF</i> | <i>All Funds</i> | <i>FTE</i> | <i>General Revenue</i> | <i>All TF</i> | <i>All Funds</i> | <i>FTE</i> |
| Agency for Health Care Administration | (395,901,422) | (550,850,748) | (946,752,170) | (85) | (485,911,847) | (590,041,538) | (1,075,953,385) | 0 |
| Children and Families | (60,795,097) | (40,620,027) | (101,415,124) | (1,876) | (7,653,234) | (1,770,928) | (9,424,162) | (2,517) |
| Elder Affairs | (11,104,882) | (14,583,972) | (25,688,854) | (26) | (13,162) | (1,650) | (14,812) | 0 |
| Health | (81,078,568) | (26,562,804) | (107,641,372) | (879) | (21,009) | (1,317,099) | (1,338,108) | 0 |
| Persons with Disabilities | (76,577,400) | (88,429,735) | (165,007,135) | (156) | (4,309,633) | (3,972,722) | (8,282,355) | (760) |
| Veterans Affairs | (22,823,244) | (15,319,455) | (38,142,699) | (507) | (21,744,918) | (15,319,454) | (37,064,372) | (494) |
| | | | | | | | | |
| HHS Total | (648,280,613) | (736,366,741) | (1,384,647,354) | (3,528) | (519,653,803) | (612,423,391) | (1,132,077,194) | (3,771) |

Reduce Government Spending

Paving the Way to a Smaller, More Efficient Government

| | <i>Fiscal Years 2011-12 and 2012-13</i> | | |
|--|---|----------------------|--------------------------------|
| | <i>Positions</i> | <i>Total Savings</i> | <i>General Revenue Savings</i> |
| • <i>Operational Efficiencies</i> | | | |
| Action/Type | | | |
| Elimination of Vacant Positions | (1,159.15) | (56,167,414) | (35,164,229) |
| Administrative and Operational Reductions | (507.00) | (61,404,054) | (53,947,899) |
| Office and Building Lease Renegotiations | | (6,766,495) | (1,486,239) |
| Reduced or Eliminated Funding Needs | | (12,810,638) | 0 |
| Total Operational Efficiencies | (1,667.15) | (137,148,601) | (90,598,367) |

Reduce Government Spending

Paving the Way to a Smaller, More Efficient Government

Reform or eliminate government programs in order to provide services in a more reasonable and effective manner.

| | <i>Fiscal Years 2011-12 and 2012-13</i> | | |
|---|---|------------------------|--------------------------------|
| | <i>Positions</i> | <i>Total Savings</i> | <i>General Revenue Savings</i> |
| <i>Programmatic Efficiencies</i> | (33) | (2,221,151,214) | (990,624,323) |

Reduce Government Spending

Paving the Way to a Smaller, More Efficient Government

Reform or eliminate government programs in order to provide services in a more reasonable and effective manner.

| | <i>Fiscal Years 2011-12 and 2012-13</i> | | |
|---|---|----------------------|--------------------------------|
| | <i>Positions</i> | <i>Total Savings</i> | <i>General Revenue Savings</i> |
| <i>Programmatic Efficiencies</i> | (33) | (2,221,151,214) | (990,624,323) |

Reduce Government Spending

Paving the Way to a Smaller, More Efficient Government

Eliminate services and earmarks which stray from the mission of an agency.

| | <i>Fiscal Years 2011-12 and 2012-13</i> | | |
|--|---|----------------------|--------------------------------|
| | <i>Positions</i> | <i>Total Savings</i> | <i>General Revenue Savings</i> |
| <i>Mission Creep and Earmarks</i> | 0 | (22,034,077) | (20,051,305) |

Reduce Government Spending

Paving the Way to a Smaller, More Efficient Government

Reduce Government Spending by Consolidating,
Privatizing or Reorganizing Government Services.

| | <i>Fiscal Years 2011-12 and 2012-13</i> | | |
|--|---|----------------------|--------------------------------|
| | <i>Positions</i> | <i>Total Savings</i> | <i>General Revenue Savings</i> |
| Consolidations, Privatizations, Reorganizations | (5,508.00) | (103,880,634) | (64,574,949) |

Veterans Homes
Mental Health Facilities
Developmental Disabilities Centers

Major Reforms At a Glance

Biennial Budget/Transparency/Accountability

- Long-term planning allows more time for in-depth program review and evaluation;
- Through the consolidated process of preparing a biennial budget, costs for the executive branch can be reduced;
- Encourage accountability through outcome measures rather than focus on budget controls;
- The budget structure is simplified and presented to the tax-payers in a common sense fashion.



Major Reforms At a Glance Medicaid

- Expand Medicaid Reform Statewide
- Evaluate and measure provider performance
- Flexibility establishing eligibility standards, premiums & copayments
- Long term care costs savings

Medicaid Reform will save \$1.2 billion



Major Reforms At a Glance

Trust Fund Consolidation

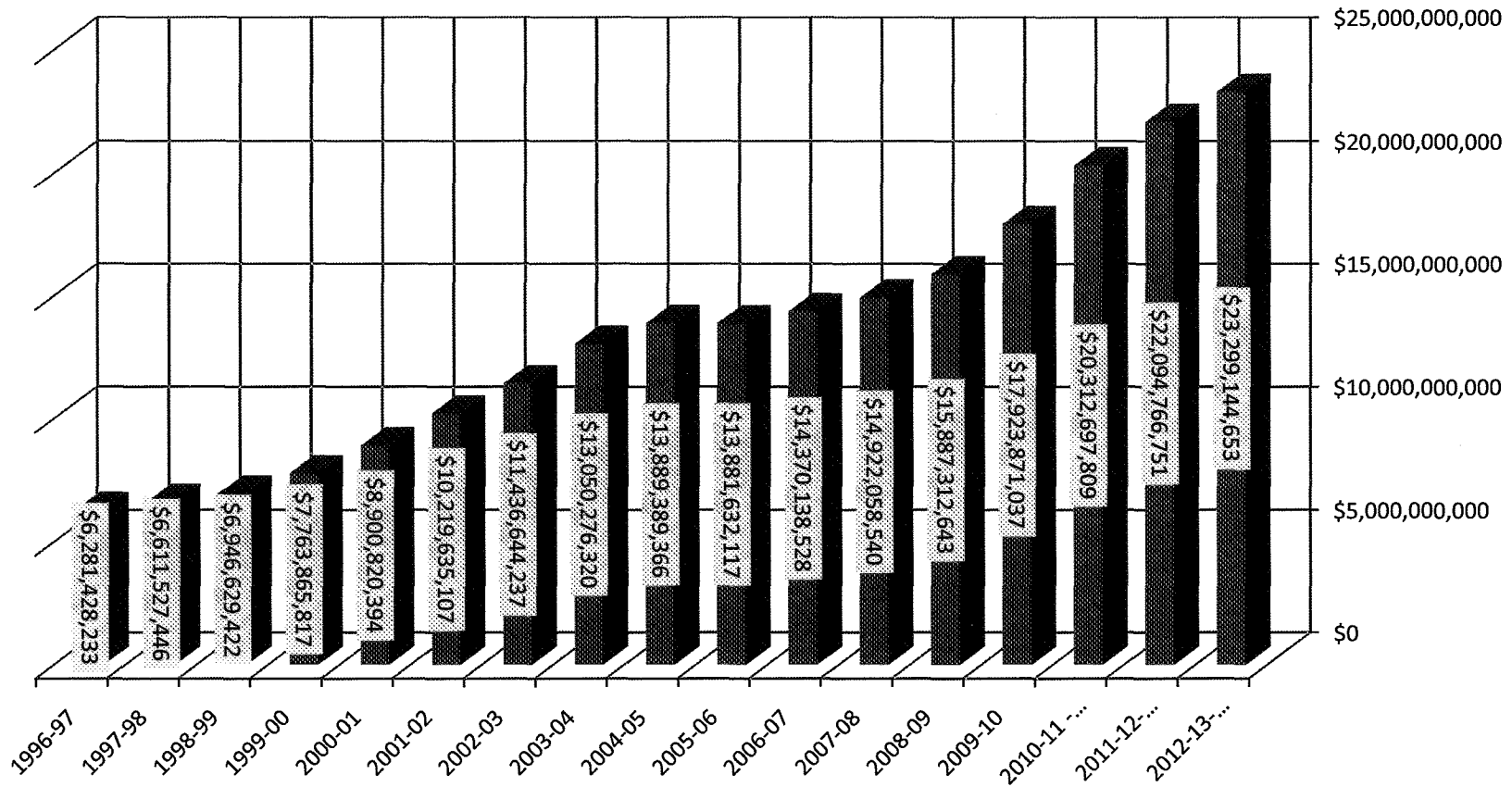
- The Governor's Proposed Budget moves the general purpose revenue portion from 124 funds into the General Revenue Fund so that the pot of money available to fund the state's most critical needs is broader and that all expenditures are subject to the same accountability standards.
- This results in \$8.5 billion more revenue available for Florida's highest priorities.
- Funding required to be segregated due to constitutional issues, bond covenants, federal or other grant restrictions or money owed to non-state entities was not changed.
- Issues previously funded from money that was moved will now be funded from the General Revenue Fund at a level justified by the priority in state needs.



Major Reforms At a Glance

Medicaid

Medicaid Services Expenditures



Other Important Issues Funded in Fiscal Year 2011-12

| | General Revenue | All Funds | Positions |
|---|-----------------|---------------|-----------|
| Mental Health and Substance Abuse | \$72,520,285 | \$72,520,285 | |
| Electronic Benefits Transfer | \$9,793,101 | \$19,586,212 | |
| Statewide Public Guardianship Office | | \$398,000 | |
| Fixed Capital Outlay Maintenance and Repair | | \$1,800,500 | |
| Health Information Technology Upgrade | | \$428,000 | |
| Transfer for Drugs, Devices and Cosmetics To DBPR | (\$2,209,245) | (\$2,209,245) | (31.0) |
| Biomedical and Cancer Research | \$52,200,000 | \$52,200,000 | |

