

Commonwealth of Pennsylvania

2013-14 Executive Budget

Tom Corbett
Governor

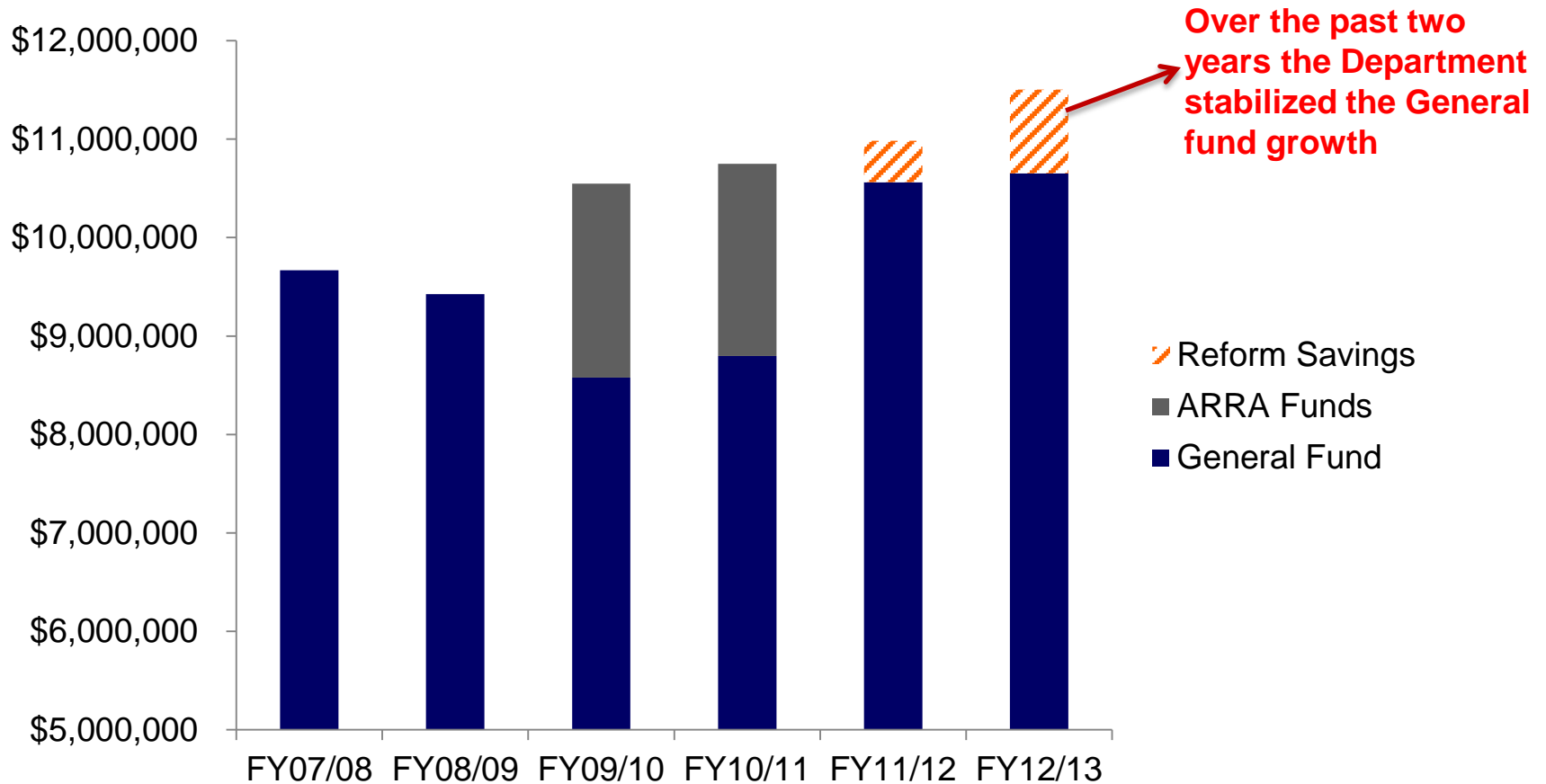
Gary D. Alexander
Secretary, Department of Public Welfare

February 5, 2013

“Without a doubt, the past two budget cycles have been difficult. However, thanks to continued strong reforms and fiscal responsibility, we have been able to refocus the Department of Public Welfare’s limited resources to serve those individuals most in need and this budget illustrates that commitment.”

-- Secretary Gary Alexander

DPW Expenditure Growth



DPW Budget Request Fiscal Year 2013-14 (Dollar Amounts in Thousands)

Program Office	FY 2011-12	FY 2012-13	FY 2013-14		
	Actual	Available	Request	Change	% Change
Mental Health	\$751,310	\$707,585	\$734,806	\$27,221	3.85%
Developmental Programs	\$1,272,515	\$1,334,476	\$1,461,938	\$127,462	9.55%
MA Physical and Behavioral Health	\$4,883,153	\$5,051,021	\$5,010,678	(\$40,343)	-0.80%
Long-Term Living	\$1,244,760	\$1,344,940	\$1,472,402	\$127,462	9.48%
Child Development	\$445,648	\$439,518	\$444,307	\$4,789	1.09%
Human Services	\$1,095,223	\$1,139,294	\$1,163,339	\$24,045	2.11%
Income Maintenance	\$700,062	\$531,720	\$558,079	\$26,359	4.96%
Administration	\$102,651	\$106,048	\$124,695	\$18,647	17.58%
Grant Total:	\$10,495,322	\$10,654,602	\$10,970,244	\$315,642	2.96%

Fiscal Year 2012-13 Available funding includes recommended supplemental appropriations totaling \$69.294 million.

Major Cost Drivers in FY 2013-14

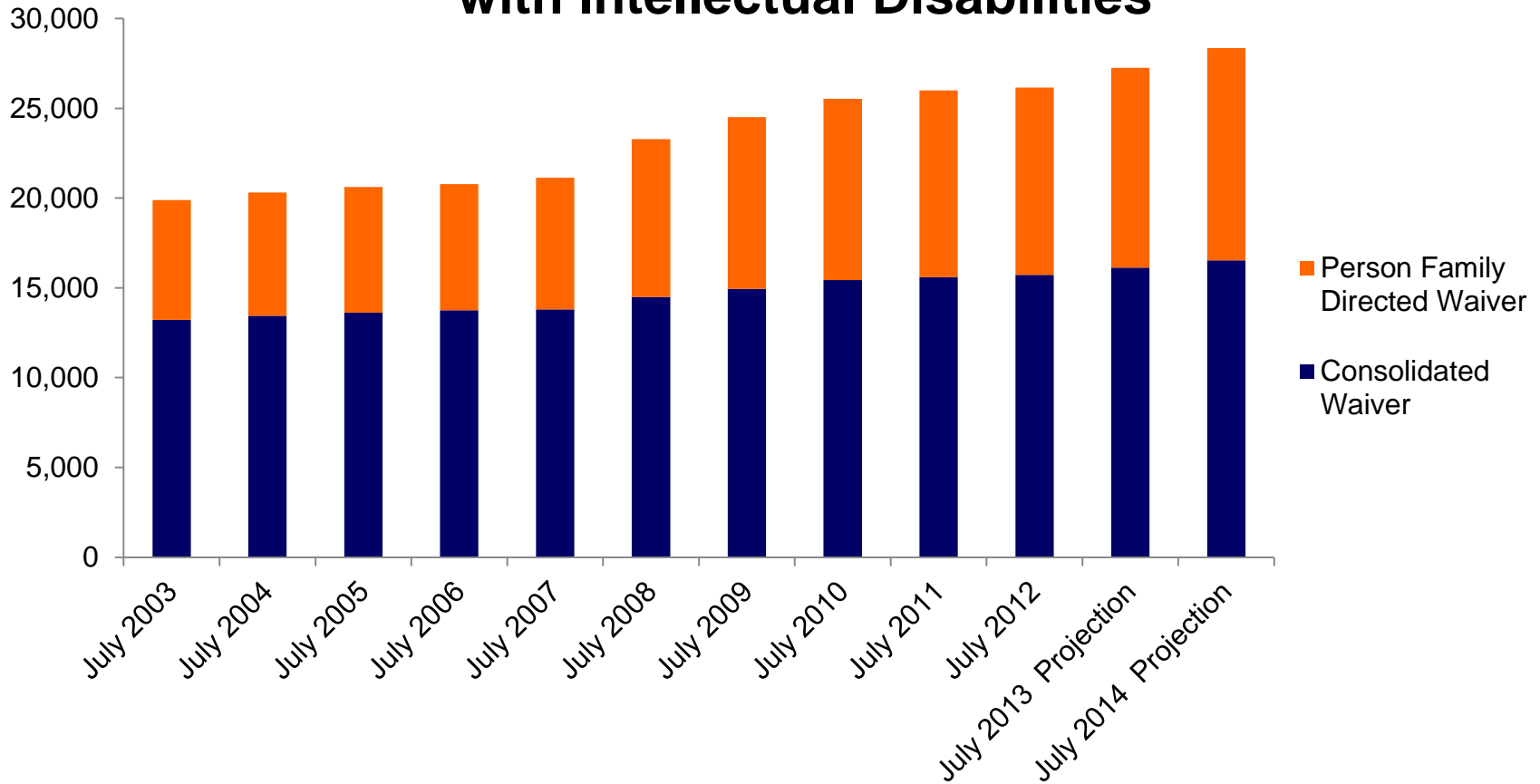
(Dollar Amounts in Thousands)

Major Cost Drivers	FY 2013-2014
	Increase
Increase in eligibility and/or utilization	\$184,073
Rate and cost increases	\$171,978
Decrease in Federal Medical Assistance Percentage	\$168,293
Salary and benefit changes	\$68,525
FY 2013-14 Initiatives	\$34,170
Other	\$6,789
Usage of one-time revenue and/or settlement payments	(\$56,140)
Annualization of prior year initiatives	(\$262,046)
Grand Total:	\$315,642

Helping Individuals, Children and Families in FY 2013-2014

Helping Pennsylvanians by Improving Access to Services

Community-Based Supports for Persons with Intellectual Disabilities



Expanded Services for Individuals with Intellectual Disabilities

**SFY 2013-14
\$20.0 million**

Provides home and community based options for an additional 1,198 individuals with intellectual disabilities and autism.

- Targets 700 young adults graduating from Special Education programs and 380 adults with a parent or parents who are at risk for not being able to continue caring for them.
- Expands services in the Autism waiver for 118 individuals

Providing Community Placement Opportunities for Individuals with Disabilities

**SFY 2013-14
\$6.1 million**

Transitioning individuals from institutional placements to home- and community-based settings.

- Transitioning 90 clients from mental hospitals to home and community-based settings; and
- Transitioning 100 clients from state intellectual disability facilities to home and community-based settings.

Expanded Services for Individuals with Physical Disabilities

SFY 2013-14
\$19.9 million

Expanding home and community-based services for an additional 1,680 individuals with physical disabilities

- \$15.8 million for an additional 1,280 individuals in the services to Persons with Disabilities waiver; and
- \$4.1 million for an additional 400 individuals in the Attendant Care waiver.

Expanded Services for Older Pennsylvanians

SFY 2013-14
\$21.0 million

Expanding services for Older Pennsylvanians

- The \$21 million investment in the Aging waiver comes as a direct result of the Governor's innovative Lottery Private Management Agreement.
- DPW will be able to use this new money to address the need and demand for the Aging Waiver, specifically expanding home and community-based services so that older adults may continue to live in their homes.

Expanded Services for Older Pennsylvanians

SFY 2013-14
\$33.1 million

Continued commitment to a wide continuum of services for Older Pennsylvanians.

- Continuing the Governor's commitment to care for our seniors, the budget includes a 2% increase in nursing home rates.
- Nursing homes continue to be an option for individuals with higher needs and this rate increase recognizes nursing homes as part of the overall continuum of long term care services

Hospital Supplemental Payments

SFY 2013-14
\$20.0 million

Investments are also made in the budget to increase access to essential health care by funding specialized hospital services and fully funding hospital payment rates.

- The budget encourages hospitals to continue to improve and focus on specialized care such as obstetrical & neonatal, burn and trauma care.
- Provides \$20 million to fully fund critical supplemental payments for specialized hospital services, including:
 - Obstetrical & Neonatal;
 - Burn Centers;
 - Trauma Centers; and
 - Critical Access.

Juvenile Justice Reinvestment

SFY 2013-14
\$10.0 million

The Juvenile Justice Reinvestment approach focuses on reducing Pennsylvania's juvenile justice population by promoting better outcomes for youth, reducing spending and reinvesting a portion of the savings into strategies that work.

The Commonwealth will invest a total of \$10 million across agencies for at risk children:

- \$5 million to support implementation of the Juvenile Justice System Enhancement Strategy (JJSES)
- \$4 million in support of Evidence-based Delinquency and Violence Prevention and Intervention Programs
- \$1 million of funding in DPW to sustain Pennsylvania's Academic and Career/Technical Training Alliance

Expanded Services for Children

SFY 2013-14
\$7.1 million

- This Budget continues Governor Corbett's commitment to high quality child care and assures that more than 211,000 low income, working families, Temporary Assistance for Needy Families (TANF) recipients, and former TANF families receive child care assistance.
- Provides subsidized child care services for more than 20% of children and their families currently waiting for child care assistance

Child Care Quality

SFY 2013-14
\$3.0 million

- Rising Stars is an initiative to target financial resources to early child care and education providers who are committed to providing high quality child care.
- Provides \$3 million in additional funds for the Rising STARS initiative, which creates incentives for early child care and education providers to provide higher quality child care, giving children a strong foundation for the future.

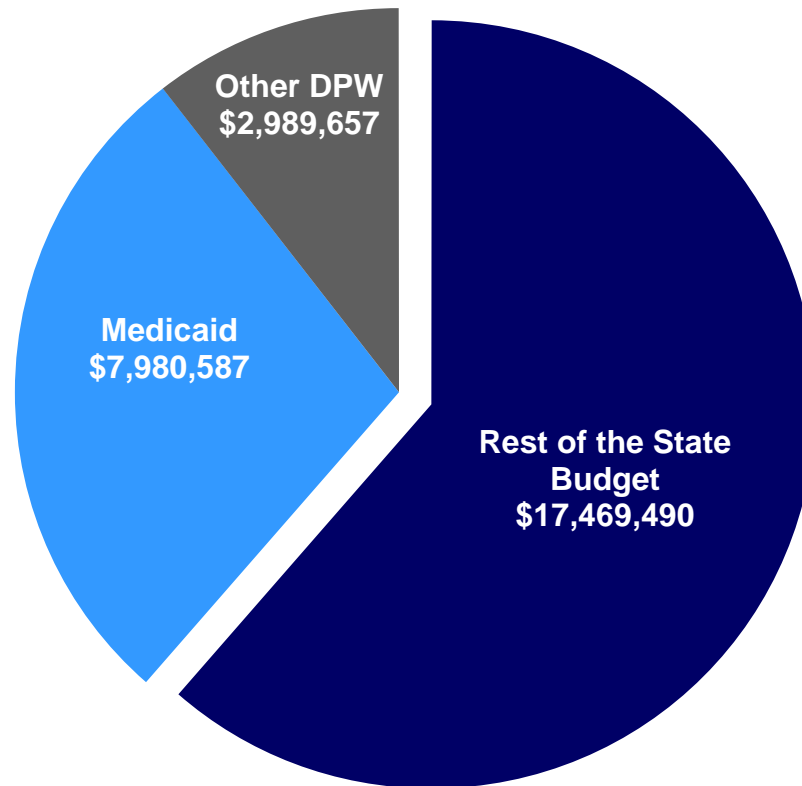
Other Proposals

Initiative Name	Savings (In Millions)
Block Grant Expansion	---
Audit Enhancements	\$20.0
Fair Share Premiums	\$8.3
Act 534 Reform	\$3.5
Operational Efficiencies	\$1.5
Anticipated Savings:	\$33.3

Commonwealth General Fund Budget Fiscal Year 2013-14

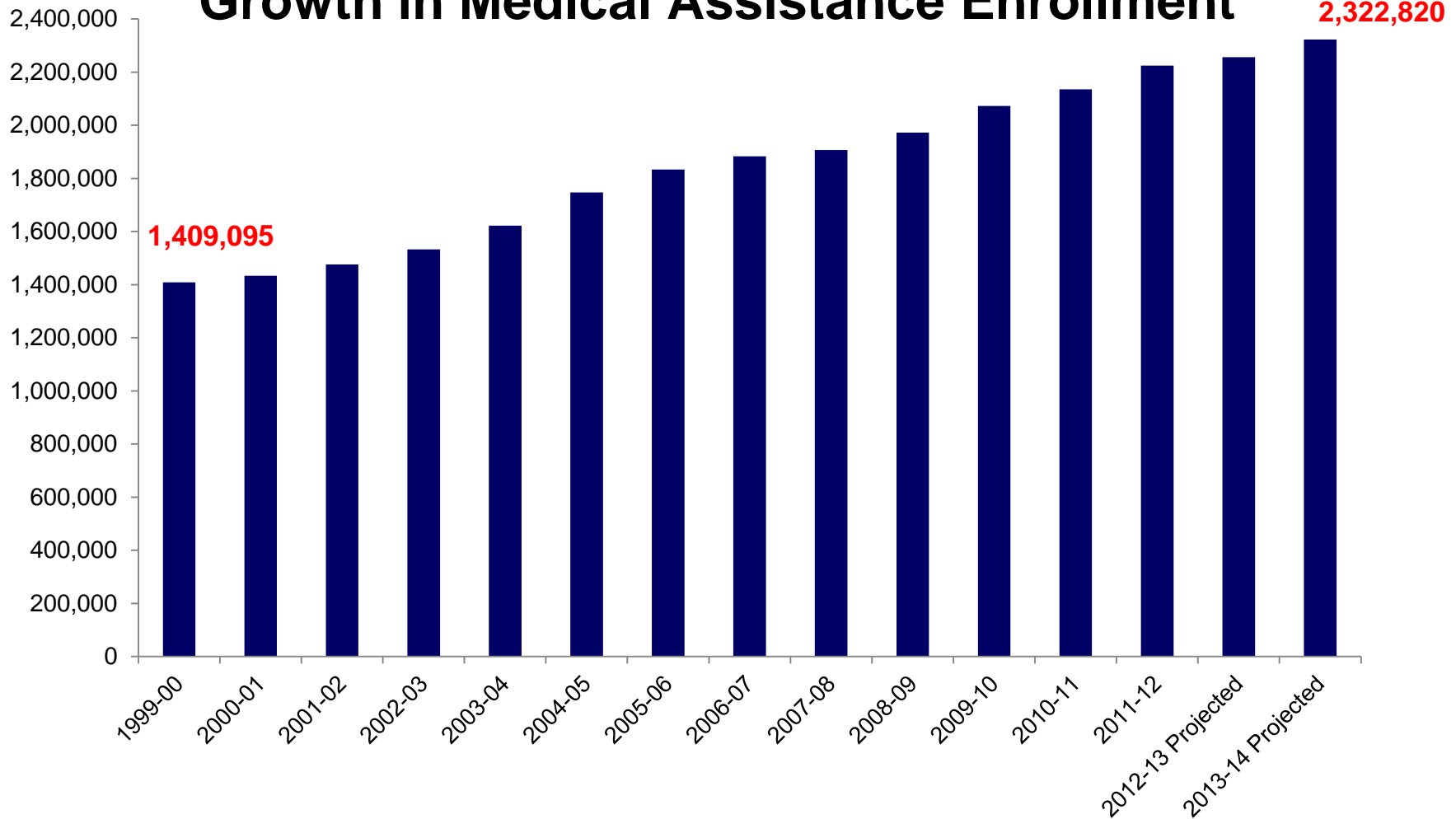
In FY 2013-14 DPW is 39% of the General Fund budget.

Total Medicaid spending accounts for 73% of the Department's budget and almost 27% of the entire General Fund budget.



Total General Fund Budget: \$28.4 Billion

Growth in Medical Assistance Enrollment



In Closing

“We have to look at our limited resources and prioritize our funding. Reducing our waiting lists is the first step, allowing us to help those who need support in their homes and in their communities.”

-- Secretary Gary Alexander