

Nevada Legislative Counsel Bureau
 Budget Closing Action Report
 Senate Finance and Assembly Ways and Means
 Committees Meeting Jointly
 W02 - WORKING VERSION 2

Title: HHS-ADSD - SENIOR RX AND DISABILITY RX
Account: 262 - 3156

Budget Page: DHHS ADSD-1, Volume II

Revenues	2009-10 Actual	2010-11 WP	%	2011-12 GOV REC	%	2012-13 GOV REC	%
			Chg		Chg		Chg
GENERAL FUND	103,137	103,284	0.14	43,602	(57.78)	43,395	(0.47)
INTERAGENCY TRANSFER	546,688	792,844	45.03	546,689	(31.05)	546,689	
OTHER FUND	4,039,078	5,528,368	36.87	4,264,603	(22.86)	6,336,100	48.57
REVERSIONS	(92,382)						
Total Revenues	4,596,521	6,424,496	39.77	4,854,894	(24.43)	6,926,184	42.66
Total FTE		5.00		3.00		3.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2011-12	2012-13
				Gov Rec	Gov Rec
Sub-total				0	0
Line Item Changes to Revenues				0	0

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2011-12	2012-13
				Gov Rec	Gov Rec
Sub-total				0	0
Line Item Changes to Expenditures				0	0

Total	0	0
Grand Total General Fund Impact of Closing Changes	0	0

Overview

The Nevada Senior Rx and Disability Rx programs assist eligible applicants to obtain essential prescription medications. Members who are not eligible for Medicare pay \$10 dollars for generic drugs and \$25 for brand name drugs. Members who are eligible for Medicare receive help with the monthly premium for the Part D plan and may use the program as a secondary payer for the Medicare Part D coverage gap.

Major Closing Issues

1. Division Reorganization
2. Senior Rx and Disability Rx Caseload

Discussion of Major Closing Issues

1. Division Reorganization (E-800, E-902, E-907 & E-922, DHHS ADSD-5-6): The Governor recommends the consolidation of fiscal and administrative positions in the Federal Programs and Administration budget account (BA 3151). The Division indicates that the consolidation would maximize federal funding and streamline the Division's cost allocation. The transfer of fiscal and administrative positions from the Senior Rx and Disability Rx account is accomplished via three decision units as described below.

- E-902 (DHHS ADSD-5): Transfers out \$293,077 over the 2011-13 biennium (\$36,056 in General Funds) to the Federal Programs and Administration account, including the Social Services Chief and an Accounting Assistant and associated operating costs.
- E-907 (DHHS ADSD-6): Transfers out \$2,164 over the 2011-13 biennium to Federal Programs and Administration for replacement computer equipment for administrative positions, recommended in E-710.
- E-922 (DHHS ADSD-6): Transfers out \$109 over the 2011-13 biennium to fund voicemail for administrative positions, recommended in E-275 (Other Closing Item 1 following).

Three program positions, two Administrative Assistants and one Management Analyst, would remain in the Senior Rx and Disability Rx account. The agency indicates that the Senior Rx and Disability Rx programs would not be consolidated into the Community Based Services account as part of the Division-wide consolidation of program positions within that account because the programs are largely supported by Tobacco Settlement funds, rather than General Funds or federal funding sources. Additionally, the majority of programs which would be included in the consolidated Community Based Services account, require the services of Social Worker positions, whereas the Senior Rx and Disability Rx programs do not. **Staff requests authority to delete these transfers should the Committee not approve the consolidation of fiscal and administrative positions within the Federal Programs and Administration account.**

2. Senior Rx and Disability Rx Caseload: The agency indicates that 2011-13 biennium caseloads for Senior Rx and Disability Rx were determined by the amount of Healthy Nevada Funds available. This methodology represents a change from the methodology used during the 2009-11 biennium. Previously, caseload changes for Senior Rx and Disability Rx were projected based upon the State Demographer's forecasted changes in Nevada's population. The agency indicates that the amount of Healthy Nevada Funds available for the Senior Rx and Disability Rx programs in the upcoming biennium would not be sufficient to support caseloads as calculated by the previous methodology.

Caseload Slots: Since the Aging and Disability Services Division (ADSD) did not apply demographic growth factors when determining caseload, Fiscal staff calculated projected eligible enrollees for Senior Rx and Disability Rx Traditional and Part D Premium based upon the number of clients currently either enrolled in or on the wait list for the programs, and the State Demographer's forecast of growth in the state's population of persons age 60 and older over the upcoming biennium. This was done to conform to the methodology applied by the agency in past biennia. Part D Gap coverage was not calculated using demographic growth, since the agency has indicated that demographic growth is largely unrelated to Part D Gap caseload. The ADSD has indicated that it has been unable to develop a reasonable basis to project Part D Gap caseload, due in part to the number of different Part D plans enrollees can choose and variability of how many enrollees enter the coverage gap in each year. Annual changes in Medicare rules and coverage limits introduce additional difficulties into developing an accurate Part D Gap projection model. The following chart shows the FY 2010 actual caseload for Senior Rx and Disability Rx, the legislatively approved FY 2011 caseload, and the Governor's recommended caseload for the 2011-13 biennium along with Fiscal staff's demographic caseload projections.

	FY 2010 Actual	FY 2011 Legislatively Approved Average	FY 2011 Actual Average (7/1/10- 3/31/11)	FY 2012 Governor Recommend	FY 2012 Eligible Clients **	FY 2013 Governor Recommend	FY 2013 Eligible Clients **
Senior Rx							
Traditional	210	385	157	167	168	300	172
Part D Premium	4,576	7,322	3,122	1,113	3,114	4,100	3,184
Part D Gap	-	-	-	980	-	1,233	-
Subtotal *	4,786	7,707	3,279	1,280	3,282	4,400	3,356
Disability Rx							
Traditional	47	60	32	62	50	85	51
Part D Premium	458	541	331	100	353	351	361
Part D Gap	-	-	-	80	-	191	-
Subtotal *	505	601	363	162	403	436	412
Grand Total	5,291	8,308	3,642	1,442	3,685	4,836	3,768

* Subtotals do not include Part D Gap, since it is a subset of Part D Premium coverage.

** Calculated by applying the State Demographer's growth factor (1.93 percent in FY 2012 and 2.23 percent in FY 2013) to the number of people either enrolled or on the waitlist for the programs.

The periodic caseload reports developed by the Department of Health and Human Services (DHHS) do not provide caseload information for coverage provided for the Medicare Part D Gap. However, the Medicare Part D Gap coverage accounts for a majority of the costs for the Senior Rx and Disability Rx programs. The recommended Medicare Part D Gap coverage amounts to 61 percent (\$2.1 million) of total Senior Rx costs in FY 2012 (\$3.5 million) and 54 percent (\$2.8 million) in FY 2013 (total costs of \$5.1 million). The recommended Medicare Part D Gap coverage amounts to 69 percent (\$261,341) of total Disability Rx costs in FY 2012 (\$379,131) and 75 percent (\$643,823) in FY 2013 (total costs of \$862,326).

Wait Lists: The Division's wait list information for FY 2010 and FY 2011 through February 2011 is shown in the chart below.

Senior Rx and Disability Rx Wait Lists*

	FY 2010 Average Wait list	FY 2010 Average Wait Time	FY 2011 Average Wait list **	FY 2011 Average Wait Time **
Senior Rx				
Traditional	5	19 days	23	45 days
Part D Premium	37	19 days	113	47 days
Disability Rx				
Traditional	3	43 days	13	43 days
Part D Premium	32	38 days	20	41 days

* Wait lists do not include Part D Gap coverage, since it is a subset of Part D Premium coverage

** 7/1/2010 - 2/28/2011

The ADSD provided information regarding prioritizing the Senior Rx and Disability Rx wait lists. The agency indicated that NAC 439.830 provides prioritization strategies for the two programs, including household income, financial hardship and medical condition. However, the agency indicates that the prioritization strategies provided in administrative code may need to be modified to target access to the two programs because individuals are not being moved off the wait list at this time. The agency indicates that it is currently considering other options for prioritizing the wait list, including prioritizing all members once per year, revising premium payments and revising copayments. The agency provided projected wait list information for the 2011-13 biennium, shown in the following chart. No projections for wait times were provided by the agency.

Senior Rx and Disability Rx Projected Wait List, 2011-13 **								
Senior Rx	Jul-11	Oct-11	Jan-12	Apr-12	Jul-12	Oct-12	Jan-13	Apr-13
Traditional	42	31	20	9	-	-	-	-
Part D Premium	1,946	1,961	1,975	1,990	1,757	1,028	299	-
Part D Gap **	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Disability Rx								
Traditional	19	11	2	-	-	-	-	-
Part D Premium	247	249	250	252	233	172	111	50
Part D Gap **	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

* Fiscal staff adjusted information provided by the agency to account for minor calculation errors.

** No wait list exists for Part D Gap Rx coverage, as it is a subset of Part D Premium coverage.

Drug Inflation: The agency indicates that an inflation rate of 3.4 percent, based on the 2008-09 Consumer Price Index (CPI) for generic prescription drugs, was used to project Senior Rx and Disability Rx costs. The CPI inflation rate was also used to project expenditures for the Division of Health Care Financing and Policy. This methodology accounts for only price level changes and does not include any changes in utilization. The Office of the Actuary of the Centers for Medicare & Medicaid Services (CMS) produces projections of overall national health care spending for various health care categories, including prescription drugs. This projection calculates total national expenditures for prescription drugs and incorporates the introduction of new prescription drugs, as well as brand-name prescriptions losing patent protection into its projection model and with price level changes. The CMS model projects a 4.7 percent increase in FY 2012 and a 5.4 percent increase in FY 2013 for prescription drugs. It appears to staff that the CMS projection methodology may produce more accurate cost projections when compared with using a historical CPI inflation rate, given that drug utilization changes are incorporated into the CMS projection model.

Healthy Nevada Fund Reconciliation: Staff would note that the most recent Healthy Nevada Fund reconciliation received from the DHHS (dated April 21, 2011) indicates there is additional funding to support the Senior Rx and Disability Rx programs in FY 2012 than was thought to be available in earlier reconciliations. The result is an additional \$418,765 available for the Senior Rx program and \$87,660 for the Disability Rx program in FY 2012. Additionally, the reconciliation indicates that projected funding for FY 2013 has decreased. According to the reconciliation, the agency now anticipates \$83,529 less funding available for the Senior Rx and Disability Rx programs than has been included in the Governor's recommended budget. The DHHS has indicated that the additional funding could be used for other Departmental budget issues; however, staff has not been provided information regarding how the funding would be redirected.

Additional Caseload Projection Considerations: Staff would note the ADSD does not incorporate several relevant factors into its caseload projections for Senior Rx and Disability Rx. Factors not incorporated include a program drop-off rate and the poverty rate for eligible populations. The program drop-off rate, the rate at which enrollees leave the programs, is relevant because it would reduce caseload. Changes in the poverty rate over time would indicate changes in the population eligible for the programs and would provide additional accuracy over the demographic growth rate alone. Additionally, staff would note that applying population projections based on changes in the state's population of persons age 60 and older to the Disability Rx caseload does not accurately reflect persons eligible on the Disability Rx caseload. The ADSD calculates the rate that people can be moved off the wait list to open caseload slots by dividing the difference between filled slots and budgeted slots at the beginning of the fiscal year by 12. This method does not appear to accurately reflect the rate which ADSD staff could process documentation to move people from the wait list to the active caseload. In response to Fiscal staff inquiries, the agency indicated that program staff could process approximately 300 people per month from the wait list to the active caseload.

Conclusion: Based upon the factors discussed above, including demographic caseload projections, revised inflation rate and the actual amount of Tobacco Settlement funding available in FY 2012, Fiscal staff has completed revised caseloads. First, a revised per member per month cost for each year of the 2011-13 biennium for each program and each type of coverage (Traditional, Part D Premium and Part D Gap) was calculated by applying the CMS inflation rate to the FY 2010 per member per month cost provided by the agency. Then, the number of enrollees was aligned with the amount of Tobacco Settlement funding available, per the Department's most recent reconciliation. The revised projection also limits caseload slots to the number of projected eligible enrollees, based on the State Demographer's population growth projections. Staff did not reduce Part D Gap caseload slots because no reasonable basis to project Part D Gap caseload exists at this time. However, Part D Gap caseload was increased in FY 2012, based on input from ADSD. The agency indicated that a proportional increase in Part D Gap caseload in relation to Part D Premium caseload would be needed to ensure sufficient funding for Part D Gap coverage. It appears reasonable to increase Part D Gap caseload proportionally with Part D Premium coverage, since Part D Gap caseload is a subset of Part D Premium coverage. Given that staff has no reasonable basis to disagree with ADSD, the increases in Part D Gap caseload are included in staff's FY 2012 caseload. The chart below shows the revised caseload for Senior Rx and Disability Rx with the changes noted above.

Revised Caseload						
	FY 2012			FY 2013		
	Governor	FY 2012	Percent	Governor	FY 2013	Percent
Senior Rx	Recommend	Revised	Difference	Recommend	Revised	Difference
Traditional	167	168	0.60%	300	172	-42.67%
Part D Premium	1,113	1,265	13.66%	4,100	3,184	-22.34%
Part D Gap	980	1,113	13.57%	1,233	1,233	0.00%
Subtotal *	1,280	1,433		4,400	3,356	
Disability Rx						
Traditional	62	50	-19.35%	85	51	-40.00%
Part D Premium	100	132	32.00%	351	361	2.85%
Part D Gap	80	105	31.25%	191	191	0.00%
Subtotal *	162	182		436	412	
Grand Total	1,442	1,615		4,836	3,768	

Fiscal staff calculated revised wait list information based on revised caseload information, and calculates moving people from the wait list to open caseload slots at the rate of 300 per month, as discussed above.

Revised Wait List*								
Senior Rx	Jul-11	Oct-11	Jan-12	Apr-12	Jul-12	Oct-12	Jan-13	Apr-13
Traditional	42	31	20	9	-	-	-	-
Part D Premium	1,794	1,809	1,824	1,839	1,590	812	34	-
Part D Gap	-	-	-	-	-	-	-	-
Disability Rx								
Traditional	19	11	2	-	-	-	-	-
Part D Premium	215	217	218	220	187	84	-	-
Part D Gap	-	-	-	-	-	-	-	-

* No wait list exists for Part D Gap Rx coverage, as it is a subset of Part D Premium coverage.

Staff would note that the projections do not include factors for a program drop-off rate or the poverty rate, both of which would factor into accurate projections for the Senior Rx and Disability Rx programs, as discussed above. The projected caseload changes would reduce Tobacco Settlement funding needed for the Senior Rx program by \$255,068 and the Disability Rx program by \$12,607 in FY 2013.

Fiscal staff discussed the noted inflation, caseload and wait list projection changes with ADSD, and the agency concurred with the revised methodology. **The Committee may wish to choose one of the following options:**

- a. **Approve the Governor's recommended funding of \$3.9 million in FY 2012 and \$6.0 million in FY 2013 and caseloads as determined by the amount of Tobacco Settlement funding available, rather than demographic growth projections.**
- b. **Approve funding of \$4.4 million in FY 2012 and \$5.7 million in FY 2013 to align caseloads with the maximum amount of Tobacco Settlement funding available in FY 2012 and demographic caseload projections in both FY 2012 and FY 2013.**

Since the agency indicates it was unable to devise a reasonable projection method for Part D Gap coverage for the 2011-13 biennium, the Committee may wish to issue a letter of intent, instructing the agency to develop a reasonable basis for projecting Part D Gap coverage and to report data regarding Part D Gap coverage and expenditures to the Interim Finance Committee on a quarterly basis, beginning October 1, 2011. **Does the Committee wish to issue a letter of intent instructing the agency to develop a reasonable basis for projecting Part D Gap coverage for the Senior Rx and Disability Rx programs?**

Other Closing Items

1. Decision Unit E-275 (DHHS ADSD-3) recommends Healthy Nevada Funds of \$271 over the 2011-13 biennium to establish voice mail for five positions. This decision unit is contingent upon the approval of a new telephone system in the Federal Programs and Administration budget account (BA 3151). **This recommendation appears reasonable to staff.**
2. Decision Unit E-710 (DHHS ADSD-4) recommends Healthy Nevada Funds of \$3,246 over the 2011-13 biennium for replacement computer equipment. One desktop computer with monitor would be purchased in FY 2012 and two desktop computers with monitors would be purchased in FY 2013 in accordance with the Department of Information Technology's replacement schedule. **This recommendation appears reasonable to staff.**
3. Decision Unit E-800 (DHHS ADSD-5) recommends funding totaling \$263,251 over the 2011-13 biennium to align the Division's cost allocation with the Governor's recommended reorganization of ADSD. **This recommendation appears reasonable to staff.**

Technical Adjustments

Fiscal staff requests authority to make necessary technical adjustments for final internal cost allocations, and staff requests authority to match up the General Fund transfers from the Health Division's Communicable Disease account to Senior Rx and Disability Rx in order to pay for part of the State Pharmacy Assistance Program (SPAP), known in this account as the HIV-AIDS Rx (HAX) program.

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 W02 - WORKING VERSION 2

Title: HHS-ADSD - SENIOR CITIZENS' PROP TAX ASSISTANCE
Account: 101 - 2363

Budget Page: DHHS ADSD-8, Volume II

	2009-10 Actual	2010-11 WP	% Chg	2011-12 GOV REC	% Chg	2012-13 GOV REC	% Chg
Revenues							
GENERAL FUND	5,722,856	4,761,398	(16.80)				
REVERSIONS	(48,155)						
Total Revenues	5,674,701	4,761,398	(16.09)				

Total FTE 2.00

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2011-12 Gov Rec	2012-13 Gov Rec
Sub-total				0	0
Line Item Changes to Revenues				0	0

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2011-12 Gov Rec	2012-13 Gov Rec
Sub-total				0	0
Line Item Changes to Expenditures				0	0

Total 0 0

Grand Total General Fund Impact of Closing Changes 0 0

Overview

The Senior Citizens' Property Tax Assistance program provides relief to eligible senior citizens who may carry an excessive residential property tax burden in relation to their income and to those senior citizens who, through rent payments, pay a disproportionate amount of their incomes for property taxes. The Senior Citizens' Property Tax Assistance program was transferred to the Aging and Disability Services Division from the Department of Taxation in 2001. The program is funded entirely through General Fund appropriations.

Major Closing Issue

Budget Reduction – Program Elimination

Discussion of Major Closing Issue

Budget Reduction – Program Elimination (E-600, DHHS ADSD-10): The Governor recommends eliminating the Senior Citizens' Property Tax Assistance program, for General Fund savings of \$5.7 million in each year of the 2011-13 biennium. The program provided 16,609 seniors with an average property tax refund of \$267 in FY 2011. Two vacant positions, including one Program Officer and one Administrative Assistant, would be eliminated. Senate Bill 423, currently in the Senate Finance Committee, would eliminate the program, which offers refunds to both homeowners and renters who qualify.

At the budget hearing on March 16, 2011, the Joint Subcommittee on Health and Human Services and Capital Improvements received seven possibilities for restoring some portion of the Senior Citizens' Property Tax Assistance program. The agency provided the information in the chart below, which includes potential savings, potential annual expenditures and the number of recipients affected, based on data from actual refunds paid during FY 2011. The agency indicated at the April 7, 2011, Work Session that option four, which restores refunds to homeowners with incomes below the Federal Poverty Level at a General Fund cost of \$557,600 over the 2011-13 biennium, would be its priority. All seven options would require statutory changes to be implemented.

Options	Description	Potential Annual Savings	Participants not Receiving a Refund	Potential Annual Expenditures	Impact of Change
1	Eliminate program	\$5,656,479	16,609	\$0	16,609 seniors received a refund in SFY 2011. Approximately 8,434 of these were homeowners. Eliminating the program would require the elimination of two positions in ADSD.
2	Eliminate refund to renters	\$2,613,707	9,542	\$3,042,772	Only seniors who actually own property and pay property taxes would receive a refund. 8,592 seniors would no longer qualify for a refund. 950 seniors would receive a reduced refund.
3	Eliminate refund to persons above federal poverty level	\$4,458,895	12,997	\$1,197,584	Only persons at or below federal poverty level would receive a refund check. Statute states that persons at or below federal poverty level receive 100% of their eligible refund amount.
4	Combination of Options 2 & 3	\$5,098,879	15,532	\$557,600	Combination of Option 2 & 3 (i.e., homeowners below federal poverty level).
5	Eliminate refund to persons owning "any other property"	\$135,592	393	\$5,520,887	Persons who own any other property than their primary residence would no longer qualify for a refund.
6	Change minimum refund paid from \$5 to \$50.	\$8,399	241	\$5,648,080	The lowest payment made would be \$50. Maximum refund remains at \$500.
7	Eliminate refund to persons with income over 150% of poverty level	\$1,918,100	6,557	\$3,738,379	Only persons with income at or below 150% of poverty level would receive a refund check.

The Subcommittee expressed an interest in options the agency explored to redirect the Senior Citizens' Property Tax Assistance program to the counties. The agency indicated that it explored three options to redirect the program to the counties:

1. Transferring the current program and associated funding;
2. Transferring the current program and requiring the counties to provide funding; and
3. Having the counties adopt another type of program.

The following chart shows FY 2011 refund amounts by county, as provided by ADSD, to reflect an approximation of the amount each county would be responsible for in each year of the upcoming biennium, should the current program transfer to the counties. The chart represents only the cost of refunds to the counties, and does not include any administrative costs the counties would incur related to administering the program.

County	FY 2011 Refunds	Number of Refunds
Carson City	\$ 189,074	570
Churchill	\$ 54,914	186
Clark	\$ 4,002,815	11,420
Douglas	\$ 102,563	278
Elko	\$ 38,324	140
Esmeralda	\$ 1,817	9
Eureka	\$ 1,553	9
Humboldt	\$ 19,446	83
Lander	\$ 7,169	24
Lincoln	\$ 7,364	33
Lyon	\$ 153,948	499
Mineral	\$ 23,977	94
Nye	\$ 191,841	538
Pershing	\$ 10,979	41
Storey	\$ 6,146	23
Washoe	\$ 865,109	2,593
White Pine	\$ 19,160	70
Totals	\$ 5,696,199	16,610

Fiscal staff has been unable to reconcile this information to the information provided by the agency in the chart containing the seven program options.

Redirecting the Senior Citizens' Property Tax Assistance program to the counties or billing the counties for property tax refunds would require statutory changes. Additionally, staff would note that there is no structure in place for the counties to assume the program. Staff is not aware of any discussions taking place between ADSD and the counties regarding redirecting the program. As the Committee is aware, numerous state services are redirected to the counties in The Executive Budget, and many state agencies have struggled to develop equitable billing methodologies. Fiscal staff is uncertain if billing the counties is advisable, since it creates an additional duty for the State to allocate equitably.

Additionally, Fiscal staff is not aware of any discussions that have taken place regarding the constitutionality of restructuring the Senior Citizens' Property Tax Assistance program. Article 10, Section 1 of the Nevada Constitution indicates that the rate of assessment and taxation shall be uniform and equal. Any changes to the program would need to meet this standard. **The Committee may wish to approve one of the following options.**

1. **Approve the Governor's recommendation to eliminate the Senior Citizens' Property Tax Assistance program, for a General Fund savings of \$5.7 million in each year of the 2011-13 biennium.**
2. **Disapprove the Governor's recommendation and choose one of the options displayed in the chart on page 72 of this closing packet, with the understanding that any option chosen requires a statutory change.**
3. **Require the counties to adopt the Senior Citizens' Property Tax Assistance program, including administrative duties related to the program, for a General Fund savings of \$11.3 million over the 2011-13 biennium, with the understanding that this option requires a statutory change.**
4. **Bill the counties for the Assistance Property Tax program. The ADSD would retain the administrative functions of the program and would no longer pay the counties a fee for processing applications (\$248,289 General Fund add-back over the 2011-13 biennium). This option would also require a statutory change.**

Other Closing Items

1. Decision Unit E-275 (DHHS ADSD-10) recommends General Funds of \$109 over the 2011-13 biennium to establish voicemail for two positions. This decision unit is contingent upon the approval of a new telephone system in Federal Programs and Administration budget account

(BA 3151). Decision Unit E-603 (DHHS ADSD-11) eliminates this decision unit, if the Tax Assistance program is eliminated. **This recommendation appears reasonable to staff.**

2. Decision Unit E-710 (DHHS ADSD-12) recommends General Funds of \$1,082 in FY 2012 to replace one desktop computer and monitor in accordance with the Department of Information Technology's replacement schedule. Decision Unit E-604 (DHHS ADSD-11) eliminates this decision unit, if the Senior Citizens' Property Tax Assistance program is eliminated. **This recommendation appears reasonable to staff.**

Fiscal staff requests authority to make necessary technical adjustments for final internal cost allocations.

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 W02 - WORKING VERSION 2

Title: HHS-ADSD - TOBACCO SETTLEMENT PROGRAM
 Account: 262 - 3140

Budget Page: DHHS ADSD-14, Volume II

Revenues	2009-10 Actual	2010-11 WP	%	2011-12 GOV REC	%	2012-13 GOV REC	%
INTERAGENCY TRANSFER	5,579,589	6,458,857	15.76	3,826,382	(40.76)	5,435,811	42.06
Total Revenues	5,579,589	6,458,857	15.76	3,826,382	(40.76)	5,435,811	42.06

Total FTE

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2011-12	2012-13
				Gov Rec	Gov Rec
Sub-total				0	0
Line Item Changes to Revenues				0	0

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2011-12	2012-13
				Gov Rec	Gov Rec
Sub-total				0	0
Line Item Changes to Expenditures				0	0
Total				0	0
Grand Total General Fund Impact of Closing Changes				0	0

Overview

The Tobacco Settlement Program budget supports the Independent Living Grants (ILG) of the Fund for a Healthy Nevada. Independent Living Grants enhance the independent living of older Nevadans through services enabling older persons to remain at home and avoid institutional placement. Funding for ILGs is provided solely with Tobacco Settlement funds allocated through the Fund for a Healthy Nevada. Pursuant to NRS 439.620 and 439.630, the Healthy Nevada Fund receives 50 percent of the Tobacco Settlement funds received by the State. Of this amount, 30 percent, less \$200,000, is allocated to the Aging and Disability Services Division (ADSD) for programs that assist senior citizens with independent living. The \$200,000 set aside must be allocated to provide funding for assisted living facilities and assisted living supportive services.

Major Closing Issue

Budgeted Amounts for Independent Living Grants

Discussion of Major Closing Issue

Budgeted Amounts for Independent Living Grants: The following table displays the amounts available to be subgranted to governmental organizations, nonprofit agencies, and private organizations serving seniors.

Independent Living Grant Expenditures		
FY 2010	\$ 5,300,907	(Actual)
FY 2011	\$ 6,170,785	(Expected)
FY 2012	\$ 3,538,310	(Governor Recommended)
FY 2012	\$ 4,095,860	(Tobacco Funding Available) *
FY 2013	\$ 5,147,739	(Governor Recommended)

* Per DHHS Tobacco Fund Reconciliation Dated 4/21/2011.

The annual amount of funding for ILGs is determined by the amount of Tobacco Settlement funds available in the Healthy Nevada Fund. Staff would note that the most recent Healthy Nevada Fund reconciliation (dated April 21, 2011) provided by the Department of Health and Human Services (DHHS) indicates that \$4.1 million is available for ILGs in FY 2012, \$557,550 more than the agency has included in its budget. However, DHHS has indicated that this funding could be redirected to fund other DHHS programs, and no budget amendment was submitted to align ILG funding with the amount of Tobacco Settlement funding available.

However, there is a bill to rearrange the disbursement of the annual Tobacco Settlement payment. Senate Bill 421, which is currently in the Committee on Finance, would increase to 60 percent the share of each payment deposited into the Healthy Nevada Fund. That share is currently 50 percent. The increase to the Healthy Nevada Fund would be possible due to the elimination of the Trust Fund for Public Health, which under current law receives 10 percent of each annual payment. Also, the bill seeks to eliminate the specific percentage suballocations within the Healthy Nevada Fund and provides for a new process to allocate Healthy Nevada Fund monies. Tobacco cessation grants would be eliminated as well.

The changes contemplated in S.B. 421 would likely result in a larger budget for the ILG program. The Committee should note that the Governor's recommended budget for the Tobacco Settlement Program has been built using the suballocation in current law (i.e., 30 percent of the 50 percent payment to the Healthy Nevada Fund). If S.B. 421 is approved, it appears that ADSD may need to process work programs in FY 2012 and FY 2013 to increase ILG program authority.

The Committee will note that the FY 2012 amount recommended for ILGs is lower than FY 2013 due to the sweep from the Healthy Nevada Fund to the General Fund that took place in April 2011. The total Healthy Nevada Fund diversion to the General Fund was \$8.8 million, and was approved by the Legislature during the 26th Special Session ([2010] A.B. 3, Section 73). Of that total, the portion diverted that would have gone to the ILG program was \$1.7 million. The Committee should also note that the 26th Special Session approved a \$465,992 reduction (10 percent for all grantees' awards) in ILGs for FY 2011. The original amount of the ILG authority was \$6.6 million, but after the 26th Special Session reduction, \$6.2 million in grant authority was available. **The Committee may wish to choose one of the following options.**

- A. Approve ILGs of \$3.5 million in FY 2012 and \$5.1 million in FY 2013, as recommended by the Governor, and use the remaining \$557,550 available in FY 2012, according to the latest DHHS reconciliation, to offset General Funds for other DHHS programs.**
- B. Approve ILGs of \$4.1 million in FY 2012 and \$5.1 million in FY 2013, to align FY 2012 grants with the amount of Tobacco Settlement funding available, per the DHHS April 2011 reconciliation.**

Technical Adjustments

Fiscal staff requests authority to make necessary technical adjustments for final internal cost allocations.

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 Budget Closing Action Report
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 W02 - WORKING VERSION 2

Title: HHS-ADSD - HOME & COMMUNITY BASED PROGRAMS
 Account: 101 - 3146

Budget Page: DHHS ADSD-16, Volume II

Revenues	2009-10 Actual	2010-11 WP	%	2011-12 GOV REC	%	2012-13 GOV REC	%
			Chg		Chg		Chg
BALANCE FORWARD	(261,035)	265,730	(201.80)				
GENERAL FUND	3,061,351	3,157,232	3.13				
INTERAGENCY TRANSFER	3,719,265	4,835,374	30.01				
REVERSIONS	(247,279)						
Total Revenues	6,272,302	8,258,336	31.66				
Total FTE		82.00					

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2011-12	2012-13
				Gov Rec	Gov Rec
Sub-total				0	0
Line Item Changes to Revenues				0	0

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2011-12	2012-13
				Gov Rec	Gov Rec
Sub-total				0	0
Line Item Changes to Expenditures				0	0

Total				0	0
Grand Total General Fund Impact of Closing Changes				0	0

Overview

The Community Based Care Unit is housed in the Home and Community Based Programs budget and provides services to those seniors most at risk of being inappropriately placed in a long-term care facility. Services are provided through the state-funded Community Options for Elderly Persons (COPE) program, the Home and Community Based Waiver for the Frail Elderly (HCBW, formerly known as Community Home-Based Initiatives Program or CHIP waiver), the Waiver for Elderly in Adult Residential Care (WEARC), and the Assisted Living (AL) waiver that was approved during the 2005-07 biennium. Each of these programs provides alternatives to nursing home placement. The scope of services also includes training for caregivers to support and enhance the skills of family and professional care providers for frail elders. Funding is provided primarily through a combination of Medicaid (Title XIX) funds, State General Fund appropriations and Tobacco Settlement proceeds.

Major Closing Issues

1. Division Reorganization
2. Flat Caseload for HCBW, WEARC, and AL Waivers
3. Caseload Decrease for COPE Waiver

Discussion of Major Closing Issues

1. Division Reorganization (E-900, E-906, E-912, E-915, E-921, E-924, DHHS ADSD-20-23): The Governor recommends the consolidation of: (1) fiscal and administrative positions in the Federal Programs and Administration account (BA 3151); and (2) program positions in the Community Based Services account (BA 3266). The Division indicates that the consolidation would maximize federal funding and streamline the Division’s cost allocation. The Home and Community Based Programs account would be eliminated as a result of the consolidation. A discussion of the recommended consolidations is included in the closing documents for the Federal Programs and Administration account and the Community Based Services account in this packet.

A total of 82 positions within the Home and Community Based Programs account would be transferred out. Fifteen administrative and fiscal positions would be transferred out to Federal Programs and Administration, including 1 Accountant Technician, 4 Accounting Assistants, 9 Administrative Assistants and 1 Social Services Manager. Sixty-seven program positions would be transferred out to Community Based Services, including 9 Administrative Assistants, 1 Health Care Coordinator – Nurse, 1 Social Services Chief, 2 Social Services Managers, 1 Social Services Program Specialist, 9 Social Work Supervisors and 44 Social Workers. The elimination of the Home and Community Based Programs account is accomplished as shown in the chart below:

Home and Community Based Programs Transfers Summary	Amount		
	FTE	FY 2012	FY 2013
Transfer to Federal Programs and Administration			
E-900 Transfer 15 administrative positions as described above.	(15.00)	(802,640)	(816,444)
E-906 Replacement computers (E-710): 12 desktop computers.		(4,328)	(8,656)
E-921 Voicemail for new telephone system (E-275).		(269)	(327)
Total	(15.00)	(807,237)	(825,427)
Transfer to Community Based Services			
E-912 Transfer 67 program positions as described above.	(67.00)	(5,583,895)	(5,651,714)
E-915 Replacement computers (E-710): 16 desktop computers and 12 laptop computers.		(21,818)	(17,490)
E-924 Voicemail for new telephone system (E-275).		(244)	(297)
Total	(67.00)	(5,605,957)	(5,669,501)
Grand Total Transferred from Home and Community Based Programs	(82.00)	(6,413,194)	(6,494,928)

If the Committee wishes to approve the consolidation of fiscal and administrative positions within the Federal Programs and Administration account, Decision Units E-900, E-906 and E-921 should be approved. Staff requests authority to delete transfers to the Federal Programs and Administration account if the Committee does not approve the consolidation of fiscal and administrative positions within that account.

If the Committee wishes to approve the consolidation of program positions within the Community Based Services account, Decision Units E-912, E-915 and E-924 should be approved. Staff requests authority to delete transfers to the Community Based Services account if the Committee does not approve the consolidation of program positions within that account.

2. Flat Caseload for HCBW, WEARC, and AL Waivers: The Executive Budget does not recommend any caseload increases for the three federally-funded Medicaid waivers, so the recommended caseload slots for both years of the upcoming biennium represent a continuance of the amounts approved by the Legislature during the 26th Special Session (2010). The following chart displays the caseload slots approved for FY 2010 by the 2009 Legislature, the slots approved during the 26th Special Session, and the recommended caseload slots for the 2011-13 biennium.

	Per Month Caseload		
	FY 2010 Legislature Approved	26 th Special Session Caseload	Governor Recommends FY 2012 and FY 2013
WEARC	472	472	472
HCBW	1,480	1,241	1,241
AL	54	54	54
Total	2,006	1,767	1,767

In response to inquiries by the Joint Subcommittee on Human Services and Capital Improvements, the agency provided the following projected wait lists for the HCBW, WEARC and AL waivers, should the number of caseload slots recommended by the Governor be approved. The projected wait lists are shown in the chart below, along with actual wait lists for the current biennium, after demographic growth factors were applied.

	Actual Wait List		Projected Wait List	
	FY 2010 Average Wait List	March 2011 Wait List	FY 2012	FY 2013
WEARC	68	73	76	79
HCBW	108	165	231	240
AL	0	0	0	0

The ADSD also provided the average wait times since FY 2005 and projected the average wait time for the 2011-13 biennium, based on the average wait time of each waiver program for the period of FY 2008 through FY 2011, shown in the chart below.

	Average Wait Time in Days							Projected Average Wait Time FY 2012-13
	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011*	
WEARC	51	31	69	125	113	56	52	86
HCBW	118	116	82	103	50	31	39	56
AL	-	-	37	3	33	4	6	12

* 7/1/2010 - 2/28/2011

According to the Division, the most recent HCBW caseload report for March 2011 indicates that of 1,241 budgeted slots, 1,219 were filled, or 1.7 percent under the budgeted amount. For WEARC, of 452 total slots available during March 2011, 410 were filled. Therefore, caseloads for WEARC were approximately 9.3 percent under the reduced budgeted caseload. For AL, of 54 slots available during March 2011, 32 were filled, or 40.7 percent under the budgeted amount. Testimony by the agency indicated that it anticipates that one additional facility for the AL waiver program would open during the upcoming biennium. Currently, just one facility (Silver Sky) provides slots for the AL waiver program. **Does the Committee wish to approve the Governor's recommendation to hold caseload slots flat for federally funded Medicaid waiver programs, including 472 for WEARC, 1,241 for HCBW and 54 for AL for each month of the upcoming biennium?**

3. Caseload Decrease for COPE Waiver: The General Fund supports the State equivalent to HCBW, known as the Community Options for the Elderly (COPE) program, a subset of which is the State's *Nevada Revised Statutes* 426 program. Chapter 426 of NRS is the Division's response to the Olmstead court decision, in which the court ruled that Title II of the Americans with Disabilities Act prohibits the unnecessary institutionalization of persons with disabilities. The NRS 426 services include assistance with bathing, toileting and feeding. The Governor recommends a decrease in monthly caseload for the COPE program. The 2009 Legislature approved a maximum of 187 monthly slots for the 2009-11 biennium. During the 26th Special Session, the Legislature reduced COPE caseload slots by 62 in FY 2010 and 56 in FY 2011, for a revised total of 125 by the end of FY 2010 and 131 by the end of FY 2011.

The Executive Budget recommends reducing COPE monthly caseload from the 125 (for FY 2010) slots approved in the 26th Special Session to a consistent monthly total of 96 slots in each year of the upcoming biennium. The average COPE caseload for the first 9 months of FY 2011 was 60, with an average wait list of 5 during the same period. Therefore, actual average COPE caseload year to date in FY 2011 is 53.4 percent below the 129 budgeted slots for March 2011, and 37.4 percent below the caseload recommended for the 2011-13 biennium (96). Actual COPE caseload reported for March 2011 was 46, 64.3 percent below the budgeted level for FY 2011. Testimony by the agency at the Joint Subcommittee hearing indicated that eligibility for the COPE waiver program has been changed during the current biennium. The changes include adjusting asset and functional deficit levels, which resulted in fewer people being eligible for the COPE program. The Administrator indicated that the eligibility changes were made with input from the Nevada Commission on Aging.

The agency projects that the wait list for COPE will be 1 over the upcoming biennium, with an average wait time of 77 days, should the 96 slots recommended by the Governor be approved. Staff would note that the agency projected the average wait time for COPE by averaging the wait time for services over FY 2008 through FY 2011 year to date. Wait times for COPE averaged 203 days in FY 2008, 51 days in FY 2009, 27 days in FY 2010 and 28 days in FY 2011 to date. Given that actual COPE caseload and average COPE wait times have been steadily declining over the last four fiscal years, it appears to Fiscal staff that average wait times for the 2011-13 biennium will be more in line with average wait times during FY 2010 and FY 2011, or approximately 28 days. **Does the Committee wish to approve the Governor's recommendation to reduce COPE budgeted caseload from 128 to 96?**

Other Closing Items

1. Decision Unit E-275 (DHHS ADSD-18) recommends \$1,139 over the 2011-13 biennium, including \$510 in General Fund, to establish voicemail for 21 positions. This decision unit is contingent upon the approval of a new telephone system in the Federal Programs and Administration budget account (BA 3151). **This recommendation appears reasonable to staff.**
2. Decision Unit E-710 (DHHS ADSD-19-20) recommends \$52,292 over the 2011-13 biennium, including \$23,402 in General Fund, for replacement computer equipment. Fourteen desktop computers with monitors and six laptop computers with docking stations would be purchased in each year of the upcoming biennium in accordance with the Department of Information Technology's replacement schedule. **This recommendation appears reasonable to staff.**

Fiscal staff requests authority to make necessary technical adjustments for final internal cost allocations.

Additional Information

Staffing: The Governor recommends a total of 1,863 waiver slots during each year of the 2011-13 biennium, including 1,767 slots for federally funded waivers and 96 monthly slots for the COPE waiver. The Home and Community Based Programs account has 44 Social Workers. The agency indicates that each Social Worker carries a mixed waiver caseload of 50 cases (including 45 ongoing cases and 5 pending cases). Given that The Executive Budget recommends 1,863 waiver slots per month during 2011-13, 41 Social Workers should be sufficient to maintain the 45 ongoing cases per Social Worker ratio, rather than the 44 Social Workers recommended. In response to Fiscal staff inquiries, the agency indicates that a certain number of cases are in pending status at any given time. These cases are in the process of being evaluated by a Social Worker to ensure that no individual is placed on the wait list for a waiver program unless they meet the program's eligibility criteria. The agency indicates that it anticipates an average of 138 cases to be in pending status during the 2011-13 biennium. Three Social Worker positions are necessary to manage the intake and eligibility activities associated with cases in pending status, for a total of 44 Social Worker positions needed for the Home and Community Based Services account. This is an informational item and no action by the Committee is necessary.

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 Budget Closing Action Report
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 W02 - WORKING VERSION 2

Title: HHS-ADSD - FEDERAL PROGRAMS AND ADMINISTRATION
Account: 101 - 3151

Budget Page: DHHS ADSD-25, Volume II

Revenues	2009-10 Actual	2010-11 WP	% Chg	2011-12 GOV REC	% Chg	2012-13 GOV REC	% Chg
BALANCE FORWARD	(35,101)	82,480	(334.98)				
FEDERAL FUND	12,275,860	11,622,608	(5.32)	11,258,212	(3.14)	11,002,875	(2.27)
GENERAL FUND	3,323,987	3,454,986	3.94	4,001,039	15.80	4,045,701	1.12
INTERAGENCY TRANSFER	1,518,184	1,681,492	10.76	2,606,182	54.99	2,517,603	(3.40)
OTHER FUND	438,888	432,794	(1.39)	403,653	(6.73)	403,653	
REVERSIONS	(18,179)						
Total Revenues	17,503,639	17,274,360	(1.31)	18,269,086	5.76	17,969,832	(1.64)
Total FTE		60.00		86.00		86.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2011-12	2012-13
E328	00	4686	Eliminate merit increase for new positions in E-328		(2,408)
E911	00	2501	Reduce computer equipment transferred from Community Based Services	(955)	
E911	00	3474	Reduce computer equipment transferred from Community Based Services	(92)	
E911	00	4254	Reduce computer equipment transferred from Community Based Services	(19)	
E911	00	4671	Reduce computer equipment transferred from Community Based Services	(16)	
Sub-total				(1,082)	(2,408)
Line Item Changes to Revenues				(1,082)	(2,408)

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2011-12	2012-13
E328	01	5000	Eliminate merit increase for new positions in E-328		(2,408)
E911	26	8000	Reduce computer equipment transferred from Community Based Services	(1,082)	
Sub-total				(1,082)	(2,408)
Line Item Changes to Expenditures				(1,082)	(2,408)

Total	0	0
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Grand Total General Fund Impact of Closing Changes	(955)	0
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Overview

The Federal Programs and Administration budget is the primary administrative account for the Division and provides funding for Grants and Resource Development, Elder Rights and Fiscal Services for the Division. The General Fund supports the Division administration and personnel, provides the required state match for federal funds, supplements volunteer programs, and funds rural senior services. The primary source of federal funds in this account is the Administration on Aging, which provides funding under Title III of the Older Americans Act. The account also receives Title V funds from the Department of Labor and Title VII funds for elder abuse prevention and long-term care ombudsman services, as well as Medicaid (Title XIX), Social Services block grant (Title XX) funds and various other federal funds. The account also receives funding from the Taxicab Authority for the Division's Senior Ride program.

Major Closing Issues

1. Division Reorganization
2. Senior Ride Program
3. Volunteers for the Long-Term Care Ombudsman Program
4. Senior Medicare Patrol

Discussion of Major Closing Issues

1. Division Reorganization (E-502, E-503, E-507, E-509, E-511, E-522, E-526, E-900, E-902, E-903, E-906, E-907, E-908, E-909, E-911, E-921, E-922, E-923 & E-926; DHHS ADSD–30-32 & 34-40): The Governor recommends the consolidation of fiscal and administrative positions for the Aging and Disability Services Division (ADSD) within the Federal Programs and Administration budget account. Twenty-four positions would be transferred to the Federal Programs and Administration account from four other accounts in the ADSD as follows:

Position	Transferred From			
	Home and Community Based Programs (BA 3146), E-900	Senior Rx Disability Rx (BA 3156), E-902	EPS/Homemaker Programs (BA 3252), E-903	Community Based Services (BA 3266), E-909
Accountant Technician	1.00	-	-	-
Accounting Assistant	4.00	1.00	1.00	1.00
Administrative Assistant	9.00	-	1.00	1.00
Administrative Services Officer	-	-	-	1.00
Management Analyst	-	-	2.00	-
Social Services Chief	-	1.00	-	-
Social Services Manager	1.00	-	-	-
Total	15.00	2.00	4.00	3.00

The agency indicates that a key advantage of consolidating the fiscal and administrative functions within the Federal Programs and Administration account is that the Division could streamline the application of the cost allocation plan and maximize federal funds. This would allow the Division to bill any employee’s time to a greater range of cost pools, thereby making time tracking easier for the ADSD. The agency currently administers six programs out of the Federal Programs and Administration account, including the Long-Term Care Ombudsman Program, Elder Rights Specialists, Senior Ride, Older Volunteer Programs, State Transportation, and the State Health Insurance Assistance Program, in addition to fiscal and administrative functions. The agency indicates that the duties of positions transferred to the Federal Programs and Administration account would not change. The ADSD indicates that the budget account reorganization would be modeled after the Division of Health Care Financing and Policy’s budget account model, which places administrative costs and program costs in separate budget accounts. No General Fund savings would result from the consolidation of fiscal and administrative positions within the Federal Programs and Administration account.

The consolidation of fiscal and administrative positions in the Federal Programs and Administration account is accomplished via 19 decision units outlined on the next page.

Federal Programs and Administration Transfers Summary		FTE	Amount	
Transfer from Home and Community Based Programs			FY 2012	FY 2013
E-900	Transfer in 15 administrative and fiscal positions as described in the previous chart.	15.00	802,640	816,444
E-906	Replacement computers: 12 desktop computers.		4,328	8,656
E-921	Voicemail for new telephone system.		269	327
Total		15.00	807,237	825,427
Transfer from Senior Rx and Disability Rx				
E-902	Transfer in 2 administrative and fiscal positions as described in the previous chart.	2.00	145,494	147,583
E-502	Realigns revenue Decision Unit E-902 by replacing Healthy Nevada Funds with transfers from Senior Rx and Disability Rx.		-	-
E-907	Replacement computers: 2 desktop computers.		1,082	1,082
E-507	Realigns revenue for Decision Unit E-907 by replacing Healthy Nevada Funds with transfers from Senior Rx and Disability Rx.		-	-
E-922	Voicemail for new telephone system.		49	60
E-522	Realigns revenue for Decision Unit E-922 by replacing Healthy Nevada Funds with transfers from Senior Rx and Disability Rx.		-	-
Total		2.00	146,625	148,725
Transfer from EPS/Homemaker Programs				
E-903	Transfer in 4 administrative and fiscal positions as described in the previous chart.	4.00	211,070	214,656
E-503	Changes the general ledger number for the Tobacco Settlement funding transferred in Decision Unit E-903.		-	-
E-908	Replacement computers: 2 desktop computers.		1,082	1,082
E-923	Voicemail for new telephone system.		73	89
Total		4.00	212,225	215,827
Transfer from Community Based Services				
E-909	Transfer in 3 administrative and fiscal positions as described in the previous chart.	3.00	200,688	203,824
E-509	Realigns revenue for Decision Unit E-909 by replacing federal grant funding, Intermediary Service Organization application fees, telephone surcharges and Independent Living Grants with transfers from Community Based Services.		-	-
E-911	Replacement computers: 2 desktop computers.		2,164	-
E-511	Realigns revenue for Decision Unit E-911 by replacing federal grant funding and Intermediary Service Organization application fees with transfers from Community Based Services.		-	-
E-926	Voicemail for new telephone system.		73	89
E-526	Realigns revenue for Decision Unit E-926 by replacing federal grant funding and Intermediary Service Organization application fees with transfers from Community Based Services.		-	-
Total		3.00	202,925	203,913
Grand Total Transferred in to Federal Programs and Administration		24.00	1,369,012	1,393,892

Staff would note that some other state agencies utilize a pass-through budget account for federal grants, while the ADSD accepts grants directly into the same account that administers the program activities and subgrants. In a pass-through budget account, federal funding is recorded upon receipt from the federal agency in the pass-through account. Subgrants to other entities and transfers to other ADSD budget accounts would then be accounted for in grant-specific expenditure categories. The use of a pass-through budget account may result in greater transparency for the use of federal funds. However, adding a pass-through budget account would generate a greater workload for the agency. The agency estimates that adding a pass-through budget account would result in an additional 1,929 hours of work annually, creating the need for additional staff. The agency indicates that a Management Analyst II would be needed to process the additional work programs associated with a pass-through budget account.

In response to Fiscal staff inquiries, the ADSD provided internal reports it prepares on a quarterly basis. The reports show the number of hours of work performed for each programmatic area within the ADSD,

based upon each employee's entries into the Division's time tracking system. The agency also provided internal reports showing the total expenditures related to each programmatic area within the ADSD on a quarterly basis. It appears to staff that the time tracking reports and financial reporting systems the agency has in place will address the transparency issues raised with the consolidation of program positions within the Federal Programs and Administration account. **The Committee may wish to consider one of the following options.**

- a. **Approve the Governor's recommendation to consolidate fiscal and administrative positions within the Federal Programs and Administration account. Twenty-four positions would be transferred in from other ADSD accounts.**
- b. **Disapprove the Governor's recommendation to consolidate fiscal and administrative positions within the Federal Programs and Administration account, thereby moving fiscal and administrative positions back to Home and Community Based Programs, Senior Rx and Disability Rx, EPS/Homemaker, and Community Based Services.**

Replacement computer equipment transferred from Community Based Services in Decision Unit E-911 did not match the agency's replacement schedule for FY 2012. Staff has completed technical adjustments to correct the discrepancy. **Staff requests authority to reduce transfers from Community Based Services by \$1,082 in FY 2012.**

2. Senior Ride Program (E-328; DHHS ADSD-30): The Governor recommends additional transfers from the Taxicab Authority of \$292,463 over the 2011-13 biennium to add an income eligibility component to the Senior Ride Program. Senior Ride eligibility would change from current requirements, which specify no income level restriction, to restricting eligibility to people with an income level at or below 400 percent of the Federal Poverty Level. An income at 400 percent of the Federal Poverty Level is currently \$43,320 annually or \$3,610 monthly, for an individual.

Two positions, a Program Officer and an Administrative Assistant, would be added to manage the additional administrative duties associated with adding an income eligibility component to the Senior Ride program, resulting in a total of four positions dedicated to the program. An additional module would be added to the agency's Social Assistance Management System to track and administer the Senior Ride program. Funding for two temporary workers to assist with the initial application process and data entry is also recommended.

Currently, individuals aged 60 and older and persons with permanent disabilities in Clark County can purchase coupon books good for \$20 in taxicab fare for \$10. The ADSD has advised that it sells nearly 3,600 books per month. Up to four coupon books per month can currently be purchased; therefore, the Division extrapolates that it currently serves 900 clients per month, assuming all clients purchase the maximum of four books. The agency indicates that it cannot determine how many clients would be served per month after the income eligibility component is added, given that no information regarding income is collected at this time. Demand could surge among lower income groups, and taper off among those seniors with larger incomes. Those above 400 percent of the Federal Poverty Level would not be permitted to purchase the discounted ticket books. Additionally, the number of coupon books an individual can purchase per month could change with the addition of an income eligibility component to the program.

The recommended income eligibility component would create a sliding fee scale, basing coupon book cost on individual income. The agency indicated that the fiscal impact of the fee change cannot be estimated at this time. Since the Senior Ride program does not currently have an income eligibility component, no income or asset information is collected from the users of the program. The Division

states that it would need to collect additional information from recipients before an accurate coupon book sales fee projection could be created. The recommended sliding fee scale is presented in the table below.

Percent of Federal Poverty Level	Cost of \$20 Coupon Book
≤ 185%	\$ -
186% - 250%	\$ 3.00
251% - 350%	\$ 6.50
351% - 400%	\$ 10.00

The ADSD indicates that it anticipates the income eligibility component of the Senior Ride program will be implemented between January 2012 and April 2012. Re-registering all clients in the new Social Assistance Management System module would take approximately four months. The agency provided the chart below illustrating the timeline for implementing the income eligibility component for the Senior Ride Program.

Activity	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12 - Apr-12
Submit Justification to Fill							
Recruitment							
Interviews							
Design Program							
Train Staff							
Notify Existing Clients of New Eligibility and Need to Re-register							
Implementation							

Does the Committee wish to approve additional transfers from the Taxicab Authority of \$292,463 over the 2011-13 biennium to add an income eligibility component and two positions to the Senior Ride program?

Given that the ADSD has indicated it cannot project the number of people who would purchase Senior Ride coupon books or the amount of coupon book sales revenue it would receive, the Committee may wish to issue a letter of intent directing the agency to report coupon book fee revenue, the number of coupon books sold and the number of people served, to the Interim Finance Committee on a quarterly basis, beginning October 1, 2011, in order to provide a baseline comparison to post-implementation data. **Does the Committee wish to issue a letter of intent to the ADSD to report information on the Senior Ride program to the Interim Finance Committee?**

The Governor’s recommended budget includes a merit salary increase for the two positions added in Decision Unit E-328. Staff has completed technical adjustments reducing transfers from the Taxicab Authority by \$2,408 in FY 2013 to eliminate the merit increases. **Staff requests authority for the noted technical adjustment.**

3. Volunteers for the Long-Term Care Ombudsman Program (E-326 DHHS ADSD-30): The Governor recommends additional General Fund of \$10,422 in each year of the 2011-13 biennium to add a volunteer component to the State Long-Term Care Ombudsman Program. The additional funding would pay for background checks, training manuals, mileage reimbursement, supplies and liability insurance for 25 volunteers in each year of the upcoming biennium. The State Long-Term Care Ombudsman Program is responsible for investigating and resolving complaints made by or on behalf of older individuals who are residents of long-term care facilities, including nursing homes, residential facilities for groups and homes for residential care.

The agency indicates that the volunteers would supplement the State Long-Term Care Ombudsman Program's paid staff and result in more expeditious responses to complaints. The volunteers would be located throughout the State and would be supervised by existing paid ombudsman staff. The agency indicated that many states utilize volunteers in their Long-Term Care Ombudsman programs. Nationwide, Administration on Aging funded Long-Term Care Ombudsman programs utilize 8,700 volunteers and 1,300 paid staff, according to the National Long-Term Care Ombudsman Resource Center. The ADSD currently has 9.50 paid FTE dedicated to the Long-Term Care Ombudsman Program.

Testimony by the agency indicated that paid ombudsman staff are currently able to provide a limited number of non-complaint related visits to long-term care facilities. The volunteers would enable the agency to increase the number of non-complaint related visits to these facilities. The volunteer visits would focus on education regarding resident rights as well as resident needs, complaints and concerns. **Does the Committee wish to approve additional General Funds of \$10,422 in each year of the upcoming biennium to add a volunteer component to the State Long-Term Care Ombudsman Program?**

4. Senior Medicare Patrol – Budget Amendment A00267: The Senior Medicare Patrol (SMP) program empowers seniors through increased awareness and understanding of health care programs to protect themselves from the economic and health-related consequences of Medicare and Medicaid fraud, error and abuse. Budget Amendment A00267, received on April 11, 2011, would transfer the SMP program from the Attorney General's Medicaid Fraud account (BA 1037) to the ADSD, including \$452,010 in Senior Medicare Patrol federal grant funding over the 2011-13 biennium. Additionally, authority for \$284,268 in Medicare Fraud Prevention expansion grant funding in FY 2012 would be added. The Medicare Fraud Prevention expansion grant expires in September 2011, so it is not available for FY 2013. Two SMP positions would be transferred to the ADSD from the Attorney General's Office, including one Program Officer and one Administrative Assistant. The two positions would be entirely supported by the federal grant funding transferred from the Medicaid Fraud account. The ADSD indicates that the SMP program would integrate well with existing ADSD programs, such as the State Health Insurance Assistance program, and reduce duplicated efforts by providing resources through one agency. The ADSD has received approval from the federal Administration on Aging to transfer the SMP program from the Attorney General's office to the ADSD. **Does the Committee wish to accept Budget Amendment A00267 and transfer the Senior Medicare Patrol program as well as the Medicare Fraud expansion grant from the Attorney General's Office to the Federal Programs and Administration account?**

Other Closing Items

1. Decision Unit E-275 (DHHS ADSD-29) recommends \$49,735 over the 2011-13 biennium, including \$28,402 in General Funds, to replace the telephone system for the Division's Carson City office. The agency indicates that the current phone system was installed 12 years ago and is one of the few remaining phone systems in Carson City that is not on the state phone system. The current phone system is considered at the end of its life, and the manufacturer no longer provides support, parts or updates. The agency indicates that approximately \$3,670 in long-distance costs would be saved by replacing the Carson City office's phone system with a system that can be part of the state phone system. **This recommendation appears reasonable to staff. Staff requests authority to complete technical adjustments related to long-distance expenditure reductions in the Senior Rx and Disability Rx and Community Based Services accounts, as well as this account.**
2. Decision Unit E-710 (DHHS ADSD-34-35) recommends \$118,904 over the 2011-13 biennium, including \$98,282 in General Funds, for replacement computer equipment. Two laptop computers with

docking stations, 13 desktop computers with monitors, 1 color laser printer, 10 mono laser printers, 2 routers, 1 server, 3 uninterruptible power supplies, and undefined software programs would be purchased in each year of the upcoming biennium, in accordance with the Department of Information Technology's replacement schedule. **This recommendation appears reasonable to staff.**

Fiscal staff requests authority to make necessary technical adjustments for final internal cost allocations. Staff also requests authority to correct the transfers of Senior Ride revenue between this account and the Taxicab Authority account.

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Title: HHS-ADSD - EPS/HOMEMAKER PROGRAMS
Account: 101 - 3252

Budget Page: DHHS ADSD-43, Volume II

Revenues	2009-10 Actual	2010-11 WP	% Chg	2011-12 GOV REC	% Chg	2012-13 GOV REC	% Chg
GENERAL FUND		135,282					
INTERAGENCY TRANSFER	2,367,030	3,487,940	47.36				
OTHER FUND							
Total Revenues	2,367,030	3,623,222	53.07				
Total FTE		43.00					

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2011-12 Gov Rec	2012-13 Gov Rec
Sub-total				0	0
Line Item Changes to Revenues				0	0

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2011-12 Gov Rec	2012-13 Gov Rec
Sub-total				0	0
Line Item Changes to Expenditures				0	0

Total	0	0
Grand Total General Fund Impact of Closing Changes	0	0

Overview

The Homemaker Program is part of the Community Based Care Unit and serves both senior citizens and younger disabled adults with case management, housekeeping, laundry, shopping, meal preparation and stand-by assistance with bathing. Eligible clients include adults 60 years and older and disabled adults for whom assistance will avert the need for institutional placement. Homemaker services provide in-home care to improve the quality of life while reducing the need for out-of-home care. Elder Protective Services (EPS) are provided in all counties of the State to prevent or remedy abuse, neglect, exploitation and isolation of adults 60 years and older who are unable to protect their own interests. The programs are funded with a combination of General Fund appropriations, federal Title XX and tobacco settlement monies transferred from the Tobacco Settlement Program budget (BA 3140).

Major Closing Issues

1. Division Reorganization
2. Additional Elder Protective Services Positions
3. Budget Reduction – Transfer Funding of Elder Protective Services
4. Homemaker Caseload

Discussion of Major Closing Issues

1. Division Reorganization (E-903, E-908, E-916, E-919, E-920, E-923, E-925, E-930, DHHS ADSD-47-51): The Governor recommends the consolidation of: (1) fiscal and administrative positions in the Federal Programs and Administration account (BA 3151); and (2) program positions in the Community Based Services account (BA 3266). The Division indicates that the consolidation would maximize federal funding and streamline the Division’s cost allocation. The EPS/Homemaker Programs budget account would be eliminated as a result of the consolidation, and is accomplished with eight decision units, as follows:

EPS/Homemaker Programs Transfers Summary		Amount		
		FTE	FY 2012	FY 2013
Transfer to Federal Programs and Administration				
E-903	Transfer 4 administrative positions: 1 Accounting Assistant, 1 Administrative Assistant and 2 Management Analysts.	(4.00)	(211,070)	(214,656)
E-908	Replacement computers (E-710): 2 desktop computers.		(1,082)	(1,082)
E-923	Voicemail for new telephone system (E-275).		(73)	(89)
Subtotal		(4.00)	(212,225)	(215,827)
Transfer to Community Based Services				
E-916	Transfer 39 program positions: 5 Administrative Assistants, 28 Social Workers, 5 Social Work Supervisors, and 1 Social Services Manager.	(39.00)	(3,404,474)	(3,429,834)
E-919	Transfer new EPS positions (E-325): 11 Social Workers, 2 Social Work Supervisors, and 2 Elder Rights Advocates.	(15.00)	(802,701)	(1,029,793)
E-920	Replacement computers (E-710): 6 desktop computers and 10 laptop computers.		(12,411)	(12,411)
E-925	Voicemail for new telephone system (E-275).		(49)	(60)
E-930	Funding change for EPS - county reimbursements (E-690).		-	-
Subtotal		(54.00)	(4,219,635)	(4,472,098)
Grand Total		(58.00)	(4,431,860)	(4,687,925)

If the Committee wishes to approve the consolidation of fiscal and administrative positions within the Federal Programs and Administration account Decision Units E-903, E-908 and E-923 should be approved. **Staff requests authority to delete transfers to the Federal Programs and Administration account if the Committee does not approve the consolidation of fiscal and administrative positions within that account.**

If the Committee wishes to approve the consolidation of program positions within the Community Based Services account, Decision Units E-916, E-919, E-920, E-925 and E-930 should be approved. **Staff requests authority to delete transfers to the Community Based Services account if the Committee does not approve the consolidation of program positions within that account.**

2. Additional Elder Protective Services Positions (E-325, DHHS ADSD-45-46): The Governor recommends additional General Fund of \$802,701 in FY 2012 and \$1.0 million in FY 2013 to add a total of 15 positions over the 2011-13 biennium for the EPS program. In FY 2012, 10 Social Workers, 2 Social Work Supervisors and 2 Elder Rights Advocates would be added and 1 additional Social Worker would be added in FY 2013. The additional positions would result in a total of 35 Social Workers statewide dedicated to the EPS program.

As discussed in Major Closing Issue 3, Clark County transferred all EPS investigations to the Aging and Disability Services Division (ADSD) in May 2010, and this enhancement is designed to provide sufficient EPS staff to handle the additional caseload. The Committee will recall that the Interim Finance Committee approved a work program revision at its June 24, 2010, meeting, which added 13 new positions for the EPS/Homemaker Programs account, including 8 Social Workers, 2 Social Work Supervisors, 2 Management Analysts and 1 Administrative Assistant, to support the additional EPS caseload transferred from Clark County to the ADSD. The agency indicated in the documentation

submitted with the approved work program revision that it anticipated submitting a recommendation to further reduce EPS caseload in the 2011-13 biennium.

The most recent caseload projections provided by ADSD (completed in March 2011) indicate that EPS caseload will average 1,228 in FY 2012 and 1,384 in FY 2013, compared to the FY 2010 actual average monthly caseload of 785. The agency indicates that EPS caseload per Social Worker has increased from 31 cases per Social Worker in FY 2006 to an average of 57 cases per Social Worker for FY 2011 to date, with a peak of 70 cases per Social Worker in August 2010. Average monthly caseload in FY 2009 was 56 and in FY 2010 it was 55. Decision Unit E-325 is recommended in order to maintain the budgeted average caseload per Social Worker at 40. Testimony by the agency at its Joint Subcommittee budget hearing indicated that Social Workers are unable to properly manage EPS cases at current levels. The agency indicated that out of 20 working days per month, a Social Worker spends approximately 10 days per month completing administrative tasks and 10 days per month in the field. Given 8 working hours per day, it is not possible to complete all field visits in a month at a caseload level of 57. The agency indicates that the nationally recommended caseload is 25 cases per Social Worker. As noted in Major Closing Issue 3 below, total EPS caseload has increased from 655 cases in July 2009 to an average of 1,193 cases year-to-date in FY 2011.

Decision Unit E-325 also includes funding totaling \$114,217 for essential services, some of which the agency indicates were previously provided by Clark County, including: \$38,707 for emergency funds, which pay temporary costs related to alleviating situations of elder abuse until long-term solutions can be identified; \$51,510 for temporary assistance for displaced seniors; and \$24,000 for EPS mental capacity evaluations.

The Governor's original recommendation to bill the counties for EPS services provided by the State (Major Closing Issue 3) includes billing the counties for the additional General Fund costs in Decision Unit E-325, including the 15 new EPS positions. **Does the Committee wish to approve the Governor's recommendation to add 15 EPS positions, at an additional General Fund cost of \$802,701 in FY 2012 and \$1.0 million in FY 2013?**

3. Budget Reduction – Transfer Funding of Elder Protective Services (E-690, DHHS ADSD-47): The Executive Budget originally recommended replacing General Funds of \$1.0 million in FY 2012 and \$1.2 million in FY 2013 for EPS with county reimbursements. Under the Governor's original recommendation, the Division would retain responsibility for the EPS program, but would bill counties for services provided by the State. Statutory changes would be required to implement the redirection of this portion of total EPS funding. Senate Bill 422, currently in the Senate Committee on Finance, has been submitted to support the change.

However, Budget Amendment A00320, received by the Fiscal Analysis Division on April 27, 2011, recommends eliminating Decision Unit E-690, thereby funding EPS with General Funds of \$2.2 million over the 2011-13 biennium. The amendment also eliminates Decision Unit E-930, which transfers the county reimbursement revenue to the Community Based Services account as part of the Division's consolidation of program positions within that account.

For the original budget submission, the agency indicated that the counties would be billed based upon the average percentage of EPS cases in each county during FY 2010 and FY 2011. Staff would note that Clark County transferred all of its EPS caseload to the Division in May 2010. The ADSD collected caseload data from Clark County for the beginning of FY 2010 and incorporated the data into the calculation of average caseload percentages. The following chart reflects the amount the ADSD had indicated would be billed to each county in each year of the 2011-13 biennium.

County	Caseload Percentage		FY 2012	FY 2013	2011-13 Total
Carson City	5.02%	\$	50,313	\$ 62,653	\$ 112,966
Churchill	1.70%	\$	17,003	\$ 21,174	\$ 38,177
Clark	56.32%	\$	564,577	\$ 703,044	\$ 1,267,621
Douglas	1.85%	\$	18,526	\$ 23,069	\$ 41,595
Elko	1.91%	\$	19,187	\$ 23,893	\$ 43,081
Esmeralda	0.02%	\$	234	\$ 292	\$ 526
Eureka	0.16%	\$	1,634	\$ 2,035	\$ 3,669
Humboldt	0.73%	\$	7,331	\$ 9,129	\$ 16,460
Lander	0.05%	\$	468	\$ 583	\$ 1,052
Lincoln	0.11%	\$	1,054	\$ 1,312	\$ 2,366
Lyon	4.24%	\$	42,468	\$ 52,884	\$ 95,352
Mineral	0.42%	\$	4,195	\$ 5,224	\$ 9,419
Nye	3.02%	\$	30,265	\$ 37,688	\$ 67,953
Pershing	0.32%	\$	3,258	\$ 4,057	\$ 7,315
Storey	0.11%	\$	1,054	\$ 1,312	\$ 2,366
Washoe	23.64%	\$	236,985	\$ 295,107	\$ 532,092
White Pine	0.40%	\$	3,966	\$ 4,938	\$ 8,904
Totals	100.00%	\$	1,002,518	\$ 1,248,394	\$ 2,250,912

Since Clark County transferred all of its EPS caseload to the Division in May 2010, EPS caseload has increased. Total EPS cases increased from 655 in July 2009 to 1,046 in January 2011. The EPS cases peaked in August 2010, at a total of 1,408 cases, and cases have averaged 1,193 year-to-date in FY 2011.

The agency indicated that the counties would be billed annually for EPS cases. An Accountant Technician would administer the billing, and the agency does not anticipate a material amount of additional work, based on the proposed methodology. Staff would note that the Legislative Committee for the Fundamental Review of the Base Budgets of State Agencies recommended at its December 2, 2010, meeting, that the redirection of funding for Elder Protective Services to the counties be forwarded to the Legislature for consideration.

At the budget hearing on March 16, 2011, the Joint Subcommittee on Human Services and Capital Improvements expressed interest in knowing the costs to counties for EPS services based on the percentage of the statewide population aged 60 or older residing in each county, for consistency with the methodology applied by the Division of Child and Family Services (i.e., estimation of county billing based upon numbers of Nevadans in a given age cohort). The projected costs to the counties based on this methodology are presented in the following chart, as well as the difference between costs based on EPS caseload.

County	Population % FY 2012 ¹	FY 2012	FY 2012 Difference ²	Population % FY 2013 ¹	FY 2013	FY 2013 Difference ²
Carson City	2.30%	\$ 23,054	\$ (27,259)	2.42%	\$ 30,166	\$ (32,487)
Churchill	0.99%	\$ 9,940	\$ (7,063)	0.99%	\$ 12,406	\$ (8,768)
Clark	69.79%	\$ 699,603	\$ 135,026	69.50%	\$ 867,651	\$ 164,607
Douglas	2.87%	\$ 28,734	\$ 10,208	2.88%	\$ 35,957	\$ 12,888
Elko	1.53%	\$ 15,297	\$ (3,890)	1.57%	\$ 19,555	\$ (4,338)
Esmeralda	0.06%	\$ 632	\$ 398	0.06%	\$ 775	\$ 483
Eureka	0.06%	\$ 572	\$ (1,062)	0.06%	\$ 747	\$ (1,288)
Humboldt	0.69%	\$ 6,946	\$ (385)	0.71%	\$ 8,864	\$ (265)
Lander	0.24%	\$ 2,393	\$ 1,925	0.25%	\$ 3,066	\$ 2,483
Lincoln	0.23%	\$ 2,262	\$ 1,208	0.23%	\$ 2,883	\$ 1,571
Lyon	2.41%	\$ 24,155	\$ (18,313)	2.42%	\$ 30,156	\$ (22,728)
Mineral	0.26%	\$ 2,560	\$ (1,635)	0.25%	\$ 3,103	\$ (2,121)
Nye	2.83%	\$ 28,402	\$ (1,863)	2.81%	\$ 35,062	\$ (2,626)
Pershing	0.24%	\$ 2,363	\$ (895)	0.24%	\$ 2,963	\$ (1,094)
Storey	0.27%	\$ 2,756	\$ 1,702	0.28%	\$ 3,482	\$ 2,170
Washoe	14.84%	\$ 148,808	\$ (88,177)	14.93%	\$ 186,353	\$ (108,754)
White Pine	0.40%	\$ 4,036	\$ 70	0.42%	\$ 5,204	\$ 266

¹ Percentage of statewide age 60 + population.

² Difference between costs based on caseload and costs based on percentage of statewide population age 60 +.

The Committee may wish to approve one of the following options:

- a. **Approve the budget amendment and fund EPS with General Funds. This option results in a General Fund add back of \$2.2 million over the 2011-13 biennium.**
 - b. **Approve the original Governor's recommendation to bill the counties for EPS services based upon the average percentage of EPS cases in each county, for a General Fund savings of \$2.2 million over the 2011-13 biennium.**
 - c. **Approve the Governor's recommendation to bill the counties for EPS services based upon the percentage of statewide population that is age 60 or older in each county, for a General Fund savings of \$2.2 million over the 2011-13 biennium.**
4. **Homemaker Caseload:** The Governor recommends Homemaker caseload of 320 slots per month during the 2011-13 biennium, a 50 percent reduction from the legislatively approved caseload of 637 slots per month for the current biennium. This recommendation represents a continuation of the Homemaker reductions approved in the 26th Special Session of the Legislature (2010), as well as a refocus from Homemaker Services to EPS. Homemaker Services have been outsourced to contractors. Four Social Workers would be transferred from Homemaker caseloads to EPS caseloads to support the increase in EPS caseload, which was discussed in Major Closing Issue 2 above. Four Social Workers would remain dedicated to the Homemaker program. Each remaining Social Worker dedicated to the Homemaker program would manage a caseload of 80 cases per month. Homemaker caseload was 194 in March 2011, with a wait list of 20 people.

Testimony by the agency indicated that ADSD recently reviewed eligibility requirements for the Homemaker program to ensure that services were targeted to those at risk of institutionalization. Historically, clients with an income below 110 percent of the Federal Poverty Level were eligible for the Homemaker program, with no defined functional ability requirements. The revised Homemaker eligibility requires a functional deficit that impairs ability to manage a household. At the budget hearing, the Joint Subcommittee expressed an interest in knowing the difference between the requirements to qualify for the Homemaker program, compared with the requirements to qualify for the Community Options for Elderly Persons (COPE) program. The agency indicates that persons who qualify for the Homemaker program are at risk of institutionalization, but can be managed with Homemaker program

support. Waiver participants have a functional need that requires additional services, such as respite, adult day care or case management, to avoid institutionalization. Staff would note that Homemaker caseload for FY 2011 has averaged 150 per month, or 53 percent below the 320 slots recommended by the Governor. **Does the Subcommittee wish to approve 320 Homemaker slots per month, as recommended by the Governor?**

Other Closing Items

1. Decision Unit E-275 (DHHS ADSD-45) recommends additional General Funds of \$271 over the 2011-13 biennium, to establish voicemail for five positions. This decision unit is contingent upon the approval of a new telephone system in the Federal Programs and Administration budget account (BA 3151). **This recommendation appears reasonable to staff.**
2. Decision Unit E-710 (DHHS ADSD-47) recommends additional General Funds of \$26,986 over the 2011-13 biennium for replacement computer equipment. Four desktop computers with monitors and five laptop computers with docking stations would be purchased in each year of the upcoming biennium in accordance with the Department of Information Technology's replacement schedule. **This recommendation appears reasonable to staff.**

Fiscal staff requests authority to make necessary technical adjustments for final internal cost allocations.

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Title: HHS-ADSD - COMMUNITY BASED SERVICES
 Account: 101 - 3266

Budget Page: DHHS ADSD-53, Volume II

Revenues	2009-10 Actual	2010-11 WP	% Chg	2011-12 GOV REC	% Chg	2012-13 GOV REC	% Chg
BALANCE FORWARD	287,437	1,324,492	360.79	850,523	(35.78)	539,298	(36.59)
FEDERAL FUND	395,381	577,022	45.94	496,224	(14.00)	427,400	(13.87)
GENERAL FUND	7,966,642	9,072,758	13.88	10,224,540	12.69	7,598,187	(25.69)
INTERAGENCY TRANSFER	732,460	342,127	(53.29)	6,422,618	1777.26	9,134,790	42.23
OTHER FUND	1,412,929	1,224,377	(13.34)	2,189,698	78.84	2,436,146	11.25
REVERSIONS	(614,291)						
Total Revenues	10,180,558	12,540,776	23.18	20,183,603	60.94	20,135,821	(0.24)
Total FTE		9.00		127.00		128.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2011-12	2012-13
E710	00	2501	Eliminate one replacement computer in each year	(955)	(955)
E710	00	3474	Eliminate one replacement computer in each year	(92)	(92)
E710	00	4254	Eliminate one replacement computer in each year	(19)	(19)
E710	00	4671	Eliminate one replacement computer in each year	(16)	(16)
E911	00	2501	Eliminate one replacement computer in each year	955	
E911	00	3474	Eliminate one replacement computer in each year	92	
E911	00	4254	Eliminate one replacement computer in each year	19	
E911	00	4671	Eliminate one replacement computer in each year	16	
Sub-total				0	(1,082)
Line Item Changes to Revenues				0	(1,082)

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2011-12	2012-13
E710	26	8000	Eliminate one replacement computer in each year	(1,082)	(1,082)
E911	26	8000	Eliminate one replacement computer in each year	1,082	
Sub-total				0	(1,082)
Line Item Changes to Expenditures				0	(1,082)
Total				0	0
Grand Total General Fund Impact of Closing Changes				0	(955)

Overview

Through the Community Based Services account the Division of Aging and Disability Services (ADSD) provides community-based resources to people with severe disabilities who are ineligible for services through public entitlement programs or for whom services do not otherwise exist. The agency provides services through its Personal Assistance Services (PAS) program, the Traumatic Brain Injury (TBI) program, the Independent Living (IL) Services program and the Assistive Technology programs, which include a program to provide telecommunications devices for persons with communications difficulties.

These programs strive to allow people with disabilities to remain in the community so that they are not required to receive institutional care.

Major Closing Issues

1. Division Reorganization
2. Autism Treatment Assistance Program
3. Budget Reduction – Redirection of Funding for the Autism and Traumatic Brain Injury Programs
4. Caseload for Traumatic Brain Injury and Independent Living
5. Personal Assistance Services

Discussion of Major Closing Issues

1. Division Reorganization (E-512, E-516, E-519, E-909, E-911, E-912, E-915, E-916, E-919, E-920, E-924, E-925, E-926 & E-930, DHHS ADSD – 57-58 & 61-66): The Governor recommends the consolidation of: (1) fiscal and administrative positions in the Federal Programs and Administration budget account (BA 3151); and (2) program positions in the Community Based Services budget account. One hundred twenty one positions would be transferred to the Community Based Services account from other accounts in the ADSD and three positions would be transferred to the Federal Programs and Administration account from the Community Based Services account. The consolidation of fiscal and administrative positions within the Federal Programs and Administration account is discussed in the closing document for that account. The positions transferred in and out of the Community Based Services account are summarized in the table below.

Position	Transfer To Federal Programs and Administration (BA 3151), E-909	Transfer From Home and Community Based Programs (BA 3146), E-912	Transfer From EPS/Homemaker Programs (BA 3252), E-916 & E-919
Accounting Assistant	(1.00)	-	-
Administrative Assistant	(1.00)	9.00	5.00
Administrative Services Officer	(1.00)	-	-
Elder Rights Advocate	-	-	2.00
Health Care Coordinator-Nurse	-	1.00	-
Social Services Chief	-	1.00	-
Social Services Manager	-	2.00	1.00
Social Services Program Specialist	-	1.00	-
Social Work Supervisor	-	9.00	7.00
Social Worker	-	44.00	39.00
Total	(3.00)	67.00	54.00

The consolidation of programmatic positions in the Community Based Services account and transfer of administrative and fiscal positions to the Federal Programs and Administration account is accomplished via 11 decision units, as outlined in the chart on the following page. Three companion decision units which realign revenue for several of the decision units are discussed below as well.

Community Based Services Transfer Summary		FTE	Amount	
Transfer to Federal Programs and Administration			FY 2012	FY 2013
E-909	Transfer out three administrative positions as described in the chart above.	(3.00)	(200,688)	(203,824)
E-911	Replacement computers (E-710): two desktop computers.		(2,164)	-
E-926	Voice mail for new telephone system (E-325).		(73)	(89)
Total		(3.00)	(202,925)	(203,913)
Transfer from Home and Community Based Programs				
E-912	Transfer in 67 program positions as described in the chart above.	67.00	5,583,895	5,651,714
E-512	Realigns funding for decision unit E-912. \$22,585 of General Fund over the 2011-13 biennium would be replaced by Title XIX reimbursements, and transfers from the Department of Employment, Training and Rehabilitation would be identified as transfers from ADSD.		-	-
E-915	Replacement computers: 16 desktop computers and 12 laptop computers.		21,818	17,490
E-924	Voice mail for new telephone system		244	297
Total		67.00	5,605,957	5,669,501
Transfer from EPS/Homemaker Programs				
E-916	Transfer in 39 program positions as described in the chart above.	39.00	3,404,474	3,429,834
E-516	Realigns funding and expenditure categories for Decision Unit E-916. Transfers from Department of Employment, Training and Rehabilitation would be identified as transfers from ADSD and contracted service expenditures for COPE clients would be moved from the Community Options for Elderly Persons Purchase of Services category to the Title XX Purchase of Services category.		-	-
E-919	Transfer in 15 newly created EPS positions (BA 3252, E-325) as described in the chart above.	15.00	802,701	1,029,793
E-519	Realigns expenditure categories for Decision Unit E-919. Contracted services for COPE clients would be moved from the COPE Purchase of Services Category to the Title XX Purchase of Services Category.		-	-
E-920	Replacement computers: 6 desktop computers and 10 laptop computers.		12,411	12,411
E-925	Voice mail for new telephone system.		49	60
E-930	Replaces General Fund with county reimbursements transferred from EPS (BA 3252, E-690).		-	-
Total		54.00	4,219,635	4,472,098
Grand Total for all Transfers to/from Community Based Services		118.00	9,622,667	9,937,686

The agency indicates that the consolidation of program positions within the Community Based Services account would allow the Division to streamline its cost allocation plan and maximize federal funds. The agency states that agency staff's time must currently be spent on programs within the budget account in which those positions are located. With the consolidation of program positions within the Community Based Services account, the agency indicates that staff would be able to work on any of the programs currently within the Home and Community Based Programs account, the EPS/Homemaker account or the Community Based Services account. The agency states that this could lead to efficiencies in service delivery. However, transparency would be lost with regard to personnel expenditures. Positions could potentially be redirected from one program to another at any time, without the approval of the Legislature or IFC. Staff would note that the following ten programs would reside in the consolidated Community Based Services account:

1. Home and Community Based Waiver for the Frail Elderly (HCBW, formerly known as Community Home-Based Initiatives Program or CHIP waiver)
2. Waiver for Elderly in Adult Residential Care (WEARC)
3. Assisted Living (AL) waiver
4. Community Options for Elderly Persons (COPE)
5. Autism Treatment Assistance Program (ATAP)
6. Personal Assistance Services (PAS)
7. Traumatic Brain Injury (TBI)

8. Independent Living (IL)
9. Nevada 211
10. Assistive Technologies

Total funding for the Community Based Services account would increase from approximately \$10 million per year in the current biennium to approximately \$20 million per year in the 2011-13 biennium. No General Fund savings would result from the consolidation.

In response to Fiscal staff inquiries, ADSD provided internal reports it prepares on a quarterly basis. The reports show the number of hours of work performed for each programmatic area within ADSD, based upon each employee's entries into the Division's time tracking system. The agency also provided internal reports showing the total expenditures related to each programmatic area within the ADSD on a quarterly basis. It appears to staff that the time tracking reports and financial reporting systems the agency has in place will address the transparency issues raised with the consolidation of program positions within the Community Based Services account as long as these reports are readily available. **Does the Committee wish to approve the transfer in of 121 program positions to the Community Based Services account and the transfer out of three positions to the Federal Programs and Administration account?**

If the Committee approves the consolidation of program positions within this account, the Committee may wish to issue a letter of intent instructing the agency to report data relating to the number of hours of work for each programmatic area, as well as expenditures for each programmatic area, for all budget accounts within the ADSD to the IFC on a quarterly basis beginning October 1, 2011. **Does the Committee wish to approve issuing a letter of intent to the ADSD to report time tracking and program expense data on a quarterly basis to the IFC?**

2. Autism Treatment Assistance Program (E-327, DHHS ADSD-56): The Governor originally recommended additional General Fund of \$1.25 million in FY 2012 and \$1.26 million in FY 2013 to continue the Autism program in the 2011-13 biennium. The ATAP was previously funded with one-shot appropriations by the 2007 and 2009 Legislatures to provide evidence-based behavioral therapy services to children with Autism. The funding recommended in The Executive Budget would establish the ATAP as an ongoing program. The Governor has submitted three budget amendments related to ATAP to increase funding in this account via transfers from other Health and Human Services divisions as part of an effort to centralize Autism services.

E-327 As Originally Recommended: Each child served by the ATAP would receive an allotment of \$1,048 per month to be used for services. The recommended amount represents the FY 2010 average spending per child. The Division contracts with a fiscal agent that charges \$54 per month per child, resulting in a total monthly per-child cost of \$1,102 and a total annual cost of \$1.1 million to serve 83 children per month. The additional operating costs in this enhancement are to pay contracted case managers in all regions of the State, as well as to add four licenses to ADSD's Social Assistance Management System (SAMS) so that the contracted case managers and the new position (discussed below) may have access to the program.

E-327 Caseload: The Governor recommends decreasing the ATAP caseload from the current legislatively approved 110 children per month to 83 children per month. Staff would note the Autism program has experienced wait lists. The agency reports the wait lists have averaged 198 in FY 2009, 154 in FY 2010 and 198 from July 2010 through March 2011. The agency does not currently have the functionality in its ATAP information system to measure wait times. The agency indicates it intends to track wait time information beginning in July 2011. The agency reviewed information for children waiting in February 2011 and indicated that 215 children were on the wait list. Of the children

waiting for ATAP services in February 2011, 178 (83 percent) had been waiting for more than 90 days and 37 (17 percent) had been waiting less than 90 days for services. The average wait time was 146 days (approximately five months), with a maximum wait time of 1,276 days (approximately 3.5 years).

E-327 Staffing: The Governor recommends adding one Social Services Program Specialist to manage the ATAP. The agency indicates it does not currently have a staff member dedicated to managing the ATAP. The functions related to managing the program are currently divided between two staff members. One Social Services Program Specialist, who is also responsible for the management of the Personal Assistance Services program and Intermediary Service Organization regulatory certifications, manages the service delivery and policy aspects of the program. Budgetary, systems coordination and contractual functions of the ATAP are performed by a Social Services Chief who also manages the Disability Services Unit for ADSD. The new Social Services Program Specialist would be dedicated to managing the ATAP full-time.

E-327 Amendment: Three budget amendments to the Community Based Services account related to ATAP were submitted on April 27, 2011. The three budget amendments would establish the ATAP as the primary state provider for Autism services. ATAP would serve children across the Autism spectrum, including those who would have previously received services through Mental Health and Developmental Services (MHDS). Budget Amendment A00314 amends Decision Unit E-327 by reallocating \$94,579 over the 2011-13 biennium from the Autism expenditure category to the Operating (\$8,028) and Information Technology (\$87,223) expenditure categories. The funding reallocation would pay for the development of a new SAMS module to track data related to the program, as well as adding two new contract case managers and related operating expenditures. A total of four contracted case managers would be dedicated to ATAP, with a caseload of approximately 40 cases per contracted case manager.

Additional Amendments to Add Autism Funds From Other Agencies

- a. Budget Amendment A00318 – adds General Funds totaling \$1.7 million over the 2011-13 biennium to ATAP. The same amount of General Funds were recommended by the Governor for elimination from the MHDS Self-Directed Autism program, which is currently funded with federal Temporary Assistance for Needy Families (TANF) funding and General Funds. This budget amendment represents an add back of the General Fund portion of the MHDS Self-Directed Autism program only. The General Fund portion of the MHDS Self-Directed Autism program provides services to a total of 61 families per month in the Sierra Regional Center account (BA 3280), the Desert Regional Center account (BA 3279) and the Rural Regional Center account (BA 3167). The TANF portion of funding provides services to 113 families per month. The Governor recommends eliminating the TANF funded caseload slots.
- b. Budget Amendment A00319 – adds General Funds totaling \$608,529 over the 2011-13 biennium to ATAP. The funding would be transferred from the Early Intervention Services (EIS) account (BA 3208). Expenditures would be reallocated from program categories in the EIS account to the Autism category in the Community Based Services account. The Department of Health and Human Services (DHHS) indicates that the funding represents the amount paid to contractors to provide Autism services in the EIS program, as well the funding for one position. The vacant position would be eliminated from the EIS account and funding for the position (not the position itself) would be redirected to Autism services in the Community Based Services account. The funding provided services to 117 children in the EIS account; however, the DHHS indicates that the funding will not provide services to the same number of children under the ATAP service delivery model, but did not provide an estimate of the number of children who could be served. The Committee should note

that the Fiscal Analysis Division is working with representatives of DHHS to address a significant shortfall in the EIS base budget. In addition, staff is also concerned that reducing General Funds from EIS may cause a maintenance of effort problem because federal regulations require the State to maintain at least the amount of state funds expended in the prior year.

The DHHS indicates that the funding redirected to ATAP was identified as an add back priority by the Governor. The funding transferred to the Community Based Services account from the MHDS accounts and the EIS account would result in ATAP funding totaling \$4.8 million over the 2011-13 biennium, a 92 percent increase from the Governor's original recommended funding of \$2.5 million. ATAP caseload would increase from the Governor's recommended 83 children per month to 155 children per month in FY 2012 and 160 children per month in FY 2013.

Wait List Considerations of Budget Amendments: As noted above, as of February 2011, 215 children were waiting for ATAP services. Additionally, the February 2011 wait list for the MHDS Autism program totaled 135 for the Desert Regional Center, the Sierra Regional Center and the Rural Regional Center combined. EIS provided services to 117 children diagnosed with Autism. However, staff would note that some families may choose to pursue treatment options offered by MHDS and EIS and would therefore not transition to ATAP. Testimony by DHHS at the April 29, 2011, Assembly Committee of the Whole, indicated that MHDS would continue to provide Autism services to children currently receiving services through MHDS. Future MHDS Autism cases would be referred to ATAP. Although children with Autism in the EIS program would be directed to ATAP, those children would continue to be eligible to receive Autism treatment services under EIS if they chose the EIS program instead of the ATAP program. Accordingly, it is difficult to accurately project the wait list for ATAP over the 2011-13 biennium.

Pending Legislation: Three bills related to Autism and ADSD are currently in the Assembly Committee on Ways and Means. Assembly Bill 315 establishes ATAP within ADSD as the primary Autism program within the DHHS. Assembly Bill 316 requires ADSD to designate a standard protocol for the assessment and evaluation of persons with Autism who receive services through certain public programs. Assembly Bill 345 establishes ATAP within ADSD and makes an appropriation of \$1.5 million to provide services to those on the waiting list for ATAP or the waiting list for Autism services at Desert Regional Center, Sierra Regional Center or Rural Regional Center.

The Committee may wish to approve a combination of the following options.

- 1. Approve Decision Unit E-327, as originally recommended by the Governor, to provide ATAP services to 83 children per month, at a General Fund cost of \$2.5 million over the 2011-13 biennium.**
 - a. Approve Decision Unit E-327 and accept Budget Amendment A00314 to add a SAMS module and two contract case managers, with no net fiscal impact.**
 - b. Disapprove the Governor's recommendation to establish ATAP as an ongoing program.**
- 2. Accept Budget Amendment A00318, thereby restoring \$1.7 million that was eliminated from the MHDS accounts to this account.**
- 3. Accept Budget Amendment A00319, thereby transferring \$608,529 from the EIS account to this account.**

Acceptance of Budget Amendments A00318 and A00319 would constitute a policy decision to consolidate state Autism services in ADSD's ATAP program.

If the Committee approves the Governor's budget as amended, the Committee may wish to issue a letter of intent to the agency, given the difficulty in projecting ATAP wait list and wait time information.

The Committee may wish to instruct the agency to report caseload and wait list data to the IFC on a quarterly basis, beginning October 1, 2011. **Does the Committee wish to issue a letter of intent to the ADSD to report ATAP data to the IFC?**

3. Budget Reduction – Redirection of Funding for the Autism and Traumatic Brain Injury Programs (E-690, DHHS ADSD-59): The Executive Budget recommends redirecting the funding of the Autism and TBI programs in FY 2013 from General Fund to Tobacco Settlement Funds for a General Fund savings of \$2.7 million in FY 2013 (\$1,494,000 in base TBI costs, plus \$1,182,612 in Autism costs recommended in Decision Unit E-327). It appears to Fiscal staff that this tobacco funding would come from the Trust Fund for Public Health (NRS 439.605). The Trust Fund for Public Health is currently at a zero balance due to budget reductions and will be until April 2012, when the FY 2013 tobacco payment is made. At that time, the DHHS projects that \$3.8 million will be the Trust Fund for Public Health's share of the total Tobacco Settlement payment.

NRS 439.605 specifies that only the interest on the principal in the Trust Fund for Public Health may be expended for grants. Senate Bill 421 eliminates the Trust Fund for Public Health and transfers the balance to the Fund for a Healthy Nevada. This legislation would mean that the Healthy Nevada Fund would receive 60 percent of the yearly payment instead of 50 percent. The bill is currently in the Senate Finance Committee.

The entire Autism enhancement (E-327, Major Closing Issue 2 above) is not recommended to be replaced by Tobacco Settlement monies. The General Fund would support \$77,403 (the personnel and non-caseload operating costs) of the Autism enhancement. It does not replace the General Funds added to ATAP with Budget Amendments A00318 or A00319.

In closing the DHHS Director's Office Healthy Nevada Fund account (BA 3261), the Committee approved the Governor's recommendation to use \$2.7 million in Tobacco Settlement funds for this purpose. **Does the Committee wish to approve E-690, thereby replacing \$2.7 million in General Funds with Tobacco Settlement funds for the TBI and Autism programs in FY 2013 consistent with its decision in closing the Healthy Nevada Fund account?**

4. Caseload for Traumatic Brain Injury and Independent Living: The Governor recommends General Funds totaling \$5.9 million over the 2011-13 biennium to provide TBI and IL services.

Traumatic Brain Injury (TBI) – The Governor recommends General Funds totaling \$3.0 million over the 2011-13 biennium to provide critical post-acute rehabilitation to TBI survivors who have no payer source. The Governor recommends funding to serve a total of 43 people in each year of the upcoming biennium, or an average of three people each month. The 2009 Legislature approved funding for 46 people in FY 2010 and 47 people in FY 2011. The agency indicates that funding is budgeted based upon the TBI service provider's average monthly cost per patient, which is projected to be \$34,744 in the 2011-13 biennium. The agency indicates that five people are on the TBI wait list as of February 2011, with an average FY 2011 wait time of 15 days. The Governor recommends redirecting funding for the TBI program from General Fund to Healthy Nevada Fund in FY 2013, discussed in Major Closing Issue 3 above. **Does the Subcommittee wish to approve General Funds of \$3.0 million over the 2011-13 biennium to provide TBI services to 86 individuals over the 2011-13 biennium?**

Independent Living (IL) – The Governor recommends total funding of \$2.9 million over the 2011-13 biennium, including General Funds of \$2.7 million, to provide IL services to an average of 18 clients per month. The agency indicates that 218 people are on the wait list for IL services as of February 2011, with the average FY 2011 wait time being approximately 312 days, or 10.4 months.

Of the 18 caseload slots legislatively approved for February 2011, 12 were filled. **Does the Committee wish to approve General Funds of \$2.7 million over the 2011-13 biennium to provide IL services to 18 people per month over the upcoming biennium?**

5. Personal Assistance Services (PAS): The Governor recommends General Funds totaling \$6.4 million over the 2011-13 biennium to provide in-home care services. The 2009 Legislature approved funding for 223 monthly PAS caseload slots for the 2009-11 biennium. During the 26th Special Session (2010) the Legislature approved a reduction of 24 slots, resulting in 199 PAS caseload slots. Actual average FY 2010 PAS caseload was 162 and FY 2011 average year-to-date caseload is 158. The Governor recommends funding for 165 PAS caseload slots per month over the 2011-13 biennium. Of the 199 legislatively approved caseload slots for March 2011, 159 were filled. The agency's most recent wait list information from February 2011 indicates that the wait list for PAS includes 81 people, with a maximum wait list time of 1,146 days. Twenty-seven percent of people on the wait list have waited less than 90 days, while 73 percent have waited more than 90 days.

At the March 16, 2011 budget hearing, the Joint Subcommittee on Human Services and Capital Improvements discussed the fact that St. Mary's has informed ADSD that it will no longer be the PAS provider for the ADSD. In response to Fiscal staff inquiries, the agency indicates that a request for proposal (RFP) for a single source provider for PAS would not be a viable option, as an RFP takes 6-12 months for the Purchasing Division to complete and St. Mary's will terminate PAS on June 18, 2011. The result would be a lapse in services for individuals receiving PAS. Additionally, the agency identified several programmatic concerns with utilizing a single vendor for PAS, including the absence of other nonprofit providers for PAS services, limit of client choice in vendors, and a conflict of interest of a for-profit agency both determining eligibility and providing care. ADSD has indicated it is currently pursuing multi-vendor contracts for PAS. There are 28 Personal Assistance Services agencies currently under contract with ADSD to provide in-home care services under the Community Options Program for the Elderly (COPE). ADSD indicates that these agencies are qualified to provide PAS; the ADSD has contacted the 28 agencies and 27 have expressed an interest in becoming contractors for the PAS program, including one intermediary service organization. The agency has drafted a contract addendum for these agencies, and the addendum is ready for the Attorney General's review. The Division is also developing a Request for Qualifications for PAS providers, which will outline the qualifications an agency must meet in order to contract as a PAS provider.

Under the multi-vendor contract model for PAS, ADSD indicates it would assume intake, eligibility determination, needs assessment and administrative tasks related to PAS. The ADSD provided Fiscal staff with a cost-neutral approach to providing PAS under the multi-vendor contract model. Expenditures totaling \$755,928 over the 2011-13 biennium would be redirected from the PAS category to personnel, operating, travel, equipment and information technology categories to fund the administrative aspects of the program in ADSD. The agency indicates that a total of six positions would be needed to manage the PAS program, including four Social Workers, one Social Work Supervisor and one Administrative Assistant, at an approximate cost of \$674,149 (the agency incorrectly included a merit salary increase for the new positions in FY 2013 in its calculations) over the 2011-13 biennium, including related operational expenses. The agency indicates that a new SAMS module would be developed at a cost of \$81,779, allowing staff to track outcomes and forecast program information.

To partially defray the costs of hiring additional Case Managers, the agency would collect copayments from clients. St. Mary's currently charges a copayment for PAS on a sliding fee scale, as defined by Nevada Administrative Code 427A.765(3). The agency indicates that St. Mary's collects approximately \$120,000 annually for PAS copayments. Assuming the same level of copayments, the agency indicates that it projects \$240,000 in copayment revenue over the 2011-13 biennium. The \$240,000 would directly offset the \$755,928 cost associated with administering the PAS program. Additionally, the

ADSD currently pays St. Mary's an additional \$1.50 per hour of PAS provided over what is paid to Medicaid providers to manage the administrative aspects of PAS. The additional \$1.50 would be redirected to fund PAS caseload, and ADSD PAS providers would be paid the Medicaid rate of \$17 per hour. The result of ADSD assuming administration of the PAS program is a reduction in the amount of funding available to provide PAS services totaling approximately \$515,928 over the 2011-13 biennium (\$240,000 in additional revenues less \$755,928 in additional expenditures), in order to maintain General Funds at \$6.4 million over the 2011-13 biennium, as recommended by the Governor.

The agency has indicated that it would be necessary to reduce PAS caseload in order to maintain the same level of General Funds for the PAS program as recommended in The Executive Budget. Budgeted caseload would decrease from the Governor's recommended 165 slots in both years of the upcoming biennium to 150 in FY 2012 and 151 in FY 2013. The agency projects an average wait list of 88 people in FY 2012 and 87 people in FY 2013. In order to maintain the 165 slots recommended by the Governor, additional General Funds of \$260,626 in FY 2012 and \$255,302 in FY 2013 would be required. The Budget Office indicated that it would not provide a budget amendment for the PAS program to add back General Fund to keep the caseload at 165 slots in each fiscal year.

The Committee may wish to approve one of the following options.

- a. **Approve the Governor's recommended budget, including 165 caseload slots for PAS utilizing a single source provider. The agency would need to submit a work program to the IFC to enact the necessary program changes, given that a single source provider for PAS no longer exists. This option would likely result in a lapse in services for individuals utilizing the PAS program, given that St. Mary's has indicated it will no longer provide PAS services, effective June 18, 2011.**
- b. **Approve an adjustment to move intake, eligibility determination, needs assessments and administrative tasks for the PAS program to the ADSD and decrease PAS caseload. Six positions would be added and caseload slots would be decreased from the 165 recommended by the Governor to 150 in FY 2012 and 151 in FY 2013, with no net fiscal impact.**
- c. **Approve an adjustment to move intake, eligibility determination, needs assessments and administrative tasks for the PAS program to the ADSD and maintain PAS caseload at the levels recommended by the Governor. Six positions would be added and caseload slots would be 165 per month over the 2011-13 biennium, requiring additional General Funds of \$515,928 over the 2011-13 biennium.**

Other Closing Items

1. Decision Unit E-275 (DHHS ADSD-56) recommends \$488 over the 2011-13 biennium, including \$430 in General Fund, to establish voicemail for nine positions. This decision unit is contingent upon the approval of a new telephone system in the Federal Programs and Administration budget account (BA 3151). **This recommendation appears reasonable to staff.**
2. Decision Unit E-710 (DHHS ADSD-60) recommends \$4,328 over the 2011-13 biennium, including \$3,818 in General Fund, for replacement computer equipment. Two desktop computers with monitors would be purchased in each year of the upcoming biennium in accordance with the Department of Information Technology's replacement schedule. The backup documentation provided in Nevada Executive Budget System (NEBS) indicates a total of two desktop computers should be replaced during the upcoming biennium instead of four. The agency indicated to staff that the backup documentation is correct. Therefore, funding for two desktop computers can be removed from the budget, reducing

funding by \$2,164 over the 2011-13 biennium, including \$1,909 in General Fund. Staff has adjusted Decision Unit E-911 to match the computer reductions in Decision Unit E-710. **This recommendation appears reasonable to staff with the noted technical adjustment.**

3. Decision Unit E-801 (DHHS ADSD-60) recommends funding totaling \$247,004 over the 2011-13 biennium to align the Division's cost allocation with the Governor's recommended reorganization of ADSD. **This recommendation appears reasonable to staff.**

Fiscal staff requests authority to make necessary technical adjustments for final internal cost allocations.

Nevada Legislative Counsel Bureau
 Budget Closing Action Report
 Senate Finance and Assembly Ways and Means
 Committees Meeting Jointly
 W02 - WORKING VERSION 2

Title: HHS-ADSD - IDEA PART C COMPLIANCE
 Account: 101 - 3276

Budget Page: DHHS ADSD-69, Volume II

Revenues	2009-10 Actual	2010-11 WP	% Chg	2011-12 GOV REC	% Chg	2012-13 GOV REC	% Chg
BALANCE FORWARD	(325)	5,495	(1790.77)				
FEDERAL FUND	5,084,239	5,860,206	15.26	3,930,675	(32.93)	3,930,675	
INTERAGENCY TRANSFER		1,500		1,500		1,500	
Total Revenues	5,083,914	5,867,201	15.41	3,932,175	(32.98)	3,932,175	
Total FTE		8.00		8.00		8.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2011-12 Gov Rec	2012-13 Gov Rec
Sub-total				0	0
Line Item Changes to Revenues				0	0

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2011-12 Gov Rec	2012-13 Gov Rec
Sub-total				0	0
Line Item Changes to Expenditures				0	0
Total				0	0
Grand Total General Fund Impact of Closing Changes				0	0

Overview

The Individuals with Disabilities Education Act (IDEA) Part C Office serves as the designated lead agency for Nevada Early Intervention Services. The Office monitors the compliance of providers (both state clinics and private/nonprofit) with federal law and provides ongoing technical assistance to programs providing early intervention services. Early intervention services are provided to families with children from birth through two years who have known or suspected developmental delays in the areas of cognition, communication, physical development, social/emotional development and adaptive skills. The Office is supported with federal funds from the federal Department of Education and a transfer from the State Department of Education, which supports the IDEA Library.

Major Closing Issues

There are no major closing issues.

Other Closing Items

1. Decision Unit E-275 (DHHS ADSD-71) recommends federal funds of \$162 over the 2011-13 biennium to establish voicemail for three positions. This decision unit is contingent upon the approval of a new telephone system in the Federal Programs and Administration budget account (BA 3151). **This recommendation appears reasonable to staff.**

2. Decision Unit E-710 (DHHS ADSD-72) recommends federal IDEA grant funds of \$2,164 over the 2011-13 biennium, to replace one desktop computer with monitor in each year, in accordance with the Department of Information Technology's replacement schedule. **This recommendation appears reasonable to staff.**

3. ARRA Funding: The Interim Finance Committee approved Work Program C20491 at its April 18, 2011, meeting. The work program added the Department's remaining ARRA grant authority of \$483,063 to upgrade the Department's existing Tracking Resources and Children (TRAC) information system. The Aging and Disability Services Division (ADSD) states that the Part C Compliance Office must maintain a data system that is capable of collecting a number of required elements for federal reporting. The existing system is not configured to collect all of the required data elements. Staff collects the data elements not included in the existing TRAC system in an Excel spreadsheet. This practice can lead to inefficiencies and errors. The agency indicates that a contractor is being selected, and it anticipates that the project will be complete by September 2011. This is an informational item; no action needs to be taken by the Committee.

Fiscal staff requests authority to make necessary technical adjustments for final internal cost allocations.