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## ABH Preliminary Analysis of the Governor's House 2 Budget Proposal for FY 2017

January 27, 2016

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**To:** ABH Members  
**From:** Vic DiGravio, President/CEO  
Mandy Gilman, Senior Director of Public Policy & Research  
**Re:** **Preliminary Analysis of the Governor's House 2 Budget Proposal for FY 2017**

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Governor Charlie Baker proposed his Fiscal Year 2017 Budget today (referred to as House 2). The proposed budget includes \$39.55 billion in spending, a 3.5% increase over anticipated Fiscal Year 2016 spending. This includes a \$424 million increase in funding for MassHealth.

The FY17 budget includes the following highlights:

### Department of Mental Health (DMH)

- DMH is funded at \$761,038,511. This is a \$17.6 million increase over projected FY16 spending.
- Appears to annualize the new community placement funding from the last two years. It also includes \$1 million for new community services in the southeast region of Massachusetts.
- Fully funds the expansion of Section 35 beds for women at Taunton State Hospital.

### Bureau of Substance Abuse Services (BSAS)

- BSAS is funded at \$140 million. This is an almost \$12 million increase over projected FY16 spending.
- The administration has indicated the BSAS budget annualizes all existing BSAS funded programs, including new programs created and rate increases funded in FY15 and FY16.
- It creates a new line item to fund the Recovery High Schools at \$3.1 million and requires BSAS to open two new schools in underserved areas of the state.

### MassHealth

- The proposal for MassHealth includes a 1.5% rate increase for behavioral health providers, approximately \$4 million.
- House 2 proposes no reductions in services or changes in eligibility for MassHealth members.

### Additional Highlights

- Funds the Chapter 257 rate reserve at \$36 million, plus an additional \$14 million in appropriate line items to annualize FY16 rate increases.
- DCF budget recommendation is an approximately \$37 million over projected FY16 spending.



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### **Next Steps:**

The legislation will now be sent to the House of Representatives. The House Ways & Means Committee will hold a budget hearing in the late winter or early spring, likely in conjunction with the Senate Committee on Ways & Means. In early April, the House Ways & Means Committee will release its own budget proposal which will be debated, amended and voted upon by the full House. The Senate will then follow in the same manner in May.

After each chamber has approved its version of the budget, the Senate President and House Speaker will make appointments to a conference committee to resolve differences between the House and Senate spending bills and produce a final legislative budget known as a conference committee report.

The conference committee report will be voted either up or down (no amendments are permitted) by each chamber, and if approved, sent to the Governor who will have ten days to review the budget and return his vetoes and recommendations for amendment.



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\*\*\* Note: Line item figures categorized as GAA come from the General Appropriations Act (GAA). The **GAA** is the annual budget act, effective each July 1st. Line items labeled **Spending** include any supplemental funding and trust fund transfers throughout the fiscal year.

## Department of Mental Health (DMH)

| Line item/program                             | FY'14 GAA            | FY'14 Spending       | FY'15 GAA            | FY'15 Post 9C        | FY'16 GAA            | FY'16 Spending       | FY'17 Governor                         |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--|
| <b>5011-0100</b><br>Operations                | \$27,275,844         | \$27,275,845         | \$28,098,283         | \$28,048,283         | \$28,570,221         | \$26,682,875         | <b>\$27,433,275</b>                    |
| <b>5042-5000</b><br>Child/Adolescent Services | \$85,222,740         | \$85,222,740         | \$87,567,266         | \$80,420,672         | \$87,034,610         | \$87,795,268         | <b>\$88,085,618</b>                    |
| <b>5046-0000</b><br>Adult Community Services  | \$353,868,606        | \$356,030,330        | \$360,697,453        | \$352,977,208        | \$375,349,785        | \$376,404,699        | <b>\$382,654,252</b>                   |
| <b>5046-0005</b><br>Comm Placements           | N/A                  | N/A                  | \$10,000,000         | \$10,000,000         | \$4,000,000          | \$4,000,000          | <b>Consolidated<br/>Into 5046-0000</b> |
| <b>5046-2000</b><br>Homeless Initiative       | \$20,134,424         | \$20,134,424         | \$20,134,629         | \$20,134,629         | \$21,134,979         | \$21,538,690         | <b>\$22,942,401</b>                    |
| <b>5047-0001</b><br>Emergency/Acute Inpatient | \$35,526,443         | \$35,526,443         | \$36,416,490         | \$31,402,706         | \$24,258,428         | \$24,234,504         | <b>\$24,351,834</b>                    |
| <b>5055-0000</b><br>Forensic services         | \$8,497,163          | \$8,497,163          | \$8,978,876          | \$8,878,876          | \$9,183,472          | \$9,042,404          | <b>\$9,147,473</b>                     |
| <b>5095-0015</b><br>State psych hosp          | \$173,116,512        | \$175,616,512        | \$183,883,536        | \$182,773,537        | \$190,325,165        | \$193,027,776        | <b>\$205,798,658</b>                   |
| <b>5095-1016</b><br>Occupancy Fees            | N/A                  | N/A                  | N/A                  | N/A                  | \$500,000            | \$500,000            | <b>\$500,000</b>                       |
| <b>TOTAL</b>                                  | <b>\$703,766,897</b> | <b>\$708,428,457</b> | <b>\$735,901,533</b> | <b>\$714,760,911</b> | <b>\$740,481,660</b> | <b>\$743,351,216</b> | <b>\$761,038,511</b>                   |



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The Department of Mental Health is funded at **\$761,038,511**. This is **\$20** million increase above the Fiscal Year 2016 Budget, and represents an increase of more than **\$17.6** million over the final FY16 appropriation.

**5011-0100 Operations.** The Governor's budget includes an increase of approximately \$750,400 over the final FY16 spending.

**5042-5000 Child/Adolescent Mental Health Services.** This account includes a small increase of approximately \$300,000 over projected FY16 spending.

There is language allowing DMH to "allocate funds from the amount appropriated to other departments within the executive office of health and human services" for funding services to discharge-ready children inappropriately remaining in acute settings due to lack of more appropriate placement.

**5046-0000 Adult Mental Health Community Services.** This account is funded at approximately \$382.6 million and includes funding from the separate community placements line item (5046-0005) included in the FY16 budget. This is a \$1.5 million increase over the final FY16 spending. The line item includes an earmark of \$1 million to expand adult community based services and supports in the southeast region.

This line item also allows DMH to transfer up to \$5 million from the inpatient line item to support clients in the community who were formerly receiving care at DMH continuing care facilities (5095-0015).

**5046-2000 Homelessness Services.** This account is funded \$1.4 million above the final FY16 spending. The administration has indicated this line item annualizes all new homeless services funded in FY16.

**5047-0001 Emergency Services/Acute Inpatient.** This account is funded at \$24,351,834, a slight increase over FY16 projected spending.

**5055-0000 Forensic Services.** This account, funded at \$9,147,473, includes a slight increase over FY16 spending.

**5095-0015 State Psychiatric Hospitals.** This line item includes an increase of \$17 million over projected FY16 spending. The administration has indicated that \$13 million of this funding will support the 45 new beds created at Taunton State Hospital to serve women who are civilly committed under Section 35. This line item also allows DMH to transfer up to \$5 million from this line item to support clients in the community (5046-0000) who were formerly receiving care at DMH continuing care facilities.

**5095-1016 Occupancy Fees Retained Revenue.** This line item, added in FY16, allows DMH to retain \$500,000 in revenue collected from occupancy fees charged to the tenants of the state hospitals.



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### Department of Public Health/Bureau of Substance Abuse Services (BSAS)

| Line item/program                                    | FY'14 GAA           | FY'14 Spending      | FY'15 GAA            | FY'15 Post 9C        | FY'16 GAA            | FY'16 Spending       | FY'17 Governor       |
|--|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>4512-0200</b><br>BSAS Program & Operations        | \$83,958,094        | \$83,958,094        | \$91,317,333         | \$92,221,778         | \$98,239,903         | \$113,773,064        | <b>\$122,588,988</b> |
| <b>4512-0201</b><br>Step-Down Services               | \$4,800,000         | \$4,800,000         | \$4,800,000          | \$4,800,000          | \$4,800,000          | \$4,854,090          | <b>\$4,908,108</b>   |
| <b>4512-0202</b><br>Jail Diversion                   | \$2,000,000         | \$2,000,000         | \$2,000,000          | \$2,000,000          | \$2,000,000          | \$2,000,000          | <b>\$2,000,000</b>   |
| <b>4512-0203</b><br>Young Adult Treatment Program    | \$1,500,000         | \$1,500,000         | \$1,500,000          | \$1,500,000          | \$1,500,000          | \$1,500,000          | <b>1,500,000</b>     |
| <b>4512-0204</b><br>Naloxone for First Responders    | N/A                 | N/A                 | \$1,000,000          | \$1,000,000          | \$1,000,000          | \$1,000,000          | <b>\$1,000,000</b>   |
| <b>4512-0210</b><br>New Addiction Treatment Programs | N/A                 | N/A                 | \$10,000,000         | \$10,000,000         | \$0                  | \$0                  |                      |
| <b>4512-0211</b><br>Recovery High                    |                     |                     |                      |                      |                      |                      | <b>\$3,100,000</b>   |
| <b>SUBTOTAL</b>                                      | <b>\$92,258,094</b> | <b>\$92,258,094</b> | <b>\$111,617,333</b> | <b>\$111,521,778</b> | <b>\$107,539,903</b> | <b>\$123,127,154</b> | <b>\$135,097,096</b> |
| <b>1595-4510</b><br>Substance Abuse Services Fund    | \$4,000,000*        | \$4,000,000*        |                      |                      | \$5,000,000**        | \$5,000,000**        | <b>\$5,000,000**</b> |
| <b>TOTAL</b>   | <b>\$96,258,094</b> | <b>\$96,258,094</b> | <b>\$111,617,333</b> | <b>\$111,521,778</b> | <b>\$112,539,903</b> | <b>\$128,127,154</b> | <b>\$140,097,096</b> |

\*This is carryover trust fund money from the FY12 allocation of \$10m.

\*\*This fund is housed within the Executive Office of Health and Human Services for expansion of BSAS-funded services.



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House 2 funds the Bureau of Substance Abuse Services at **\$135,097,096** not including the Substance Abuse Services Fund Transfer housed at EOHHS. Including the fund transfer of \$5 million, BSAS-purchased services and operations are funded at \$140,097,096, an increase of \$11.9 million over the final FY16 spending.

**4512-0200 BSAS Programming and Operations.** This account is funded at \$122,588,988, roughly \$8.8 million above the FY16 spending. The Governor's budget also transfers \$5 million to the Substance Abuse Services Fund for expanded access to BSAS-funded services (*See line item 1595-4510 - Substance Abuse Services Fund on page 12 for more information about the expansion funds*). The administration has indicated this funding will annualize all expanded services funded in FY16, including rate increases for BSAS-funded services.

**4512-0201 Step-Down Services.** This account for step-down recovery services "and other critical recovery services with severely reduced capacity" is funded at \$4.9 million.

**4512-0202 Pilot Jail Diversion Program.** This account is level-funded at \$2 million. The account appropriates funding for jail diversion programs primarily for nonviolent offenders with OxyContin or heroin addiction. The line item retains language mandating that each program provide clinical assessment services to the courts, inpatient treatment for up to 60 days, and ongoing case management for up to one year. It has identical individual eligibility criteria as in the past, i.e., OxyContin, heroin or another substance use disorder and diversion is appropriate both in accordance with clinical and public safety criteria. Programs are to be in separate counties. \$500,000 is dedicated to "support the ongoing treatment needs of clients after 90 days for which there is no other payer."

**4512-0203 Family Intervention, Care Management, and Young Adult Treatment Program.** This account is level-funded at \$1.5 million. The language states that this appropriation is "for family intervention and care management services programs, a young adult treatment program, and early intervention services for individuals who are dependent on or addicted to alcohol or controlled substances or both alcohol and controlled substances."

**4512-0204 Naloxone Distribution Programs for First Responders.** The budget includes level funding for the line item which funds the purchase, administration and training of first-responders and bystander naloxone distribution programs. Funds shall be expended to maintain funding in communities with high incidence of overdoses. Program selection criteria include "need and high incidence of overdoses." DPH is required to report to the Committees on Ways & Means on (i) the communities receiving grants; (ii) the number of participants for each community; and (iii) the amount of naloxone purchased and distributed, delineated by community by October 3, 2016. There is funds transfer authority between this account and the main BSAS line item, provided that DPH file an allocation plan with legislature 30 days before any transfer.

**4512-0211 Recovery High Schools.** The Governor proposes a new line item, funded at \$3.1 million, to fund Recovery High Schools in the Commonwealth. BSAS has traditionally funded the Recovery High Schools out of the main BSAS line item. The line item language includes a requirement that \$1 million must be spent opening no fewer than two new high schools in underserved regions of the state.



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## Executive Office of Health & Human Services (EOHHS)/Office of MassHealth

| Line item/program                            | FY'14 GAA       | FY'14 Spending  | FY'15 GAA                        | FY'15 Post 9C                    | FY'16 GAA                        | FY'16 Spending                   | FY'17 Governor                           |
|--|-----------------|-----------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|--|
| <b>4000-0300</b><br>EOHHS Admin.             | \$91,785,813    | \$92,085,813    | \$91,557,569                     | \$88,223,229                     | \$92,240,452                     | \$85,974,577                     | <b>\$99,715,735</b>                      |
| <b>4000-0328</b><br>State Plan Amend Plan    | N/A             | N/A             | \$400,000                        | \$394,000                        | \$0                              | \$0                              | <b>\$0</b>                               |
| <b>4000-0500</b><br>MCOs                     | \$4,500,411,804 | \$4,456,036,464 | \$4,792,819,941                  | \$5,162,825,921                  | \$5,933,039,597                  | \$5,347,416,595                  | <b>\$5,496,523,203</b>                   |
| <b>4000-0700</b><br>Fee for Service Payments | \$2,196,315,039 | \$2,160,941,377 | \$2,381,458,986                  | \$2,558,152,397                  | \$2,478,152,092                  | \$2,539,586,015                  | <b>\$2,425,838,433</b>                   |
| <b>4000-0870</b><br>Basic                    | \$180,437,109   | \$161,848,020   | Program rolled<br>Into 4000-0940 | Program rolled<br>Into 4000-0940 | Program rolled<br>into 4000-0940 | Program rolled<br>into 4000-0940 | <b>Program rolled<br/>into 4000-0940</b> |
| <b>4000-0940</b><br>ACA Expansion            | \$448,000,379   | \$470,668,500   | \$1,702,696,743                  | \$1,569,631,096                  | \$1,712,110,508                  | \$1,957,441,133                  | <b>\$2,155,410,368</b>                   |
| <b>4000-0950</b><br>CBHI                     | \$203,200,101   | \$203,000,000   | \$207,371,693                    | \$211,389,021                    | \$221,298,049                    | \$221,682,738                    | <b>\$240,077,183</b>                     |
| <b>4000-1405</b><br>Essential                | \$489,878,244   |                 | Program rolled<br>Into 4000-0940 | Program rolled<br>Into 4000-0940 | Program rolled<br>into 4000-0940 | Program rolled<br>into 4000-0940 | <b>Program rolled<br/>into 4000-0940</b> |



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### MassHealth Proposals

- The Governor's Budget proposal holds MassHealth spending growth in FY17 to 5% while maintaining benefits and eligibility for MassHealth members.
- House 2 proposes moving all MassHealth members to an annual open enrollment period beginning October 1, 2016. Members will no longer be able to switch plans daily or monthly based on their coverage type.
- MassHealth is working to institute new program integrity initiatives across the home health programs and has put a moratorium on new home health providers in the state.
- The Governor proposed a 1.5% rate increase in FY17 for mental health and addiction treatment providers (approximately \$4 million) in the PCC program in addition to the \$23 million increase already announced by MassHealth for outpatient providers. These increases will occur across the PCC plan and the Managed Care program.
- Rates for other providers will hold steady in FY17.
- MassHealth is proposing to increase enrollment in the SCO and One Care programs with passive auto enrollment. Members will still be able to opt out of these programs.
- House 2 proposes an approximately \$18 million increase in funding for CBHI services.





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### Department of Children and Families (DCF)

| Line item/program                           | FY'14 GAA            | FY'14 Spending       | FY'15 GAA            | FY'15 Post 9C        | FY'16 GAA            | FY'16 Spending       | FY'17 Governor       |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>4800-0015</b><br>Operations              | \$68,828,898         | \$71,196,589         | \$74,871,347         | \$76,244,337         | \$81,023,822         | \$80,863,547         | <b>\$95,214,734</b>  |
| <b>4800-0025</b><br>Foster care review      | \$2,995,812          | \$2,995,812          | \$3,028,757          | \$3,125,044          | \$3,226,629          | \$3,033,562          | <b>\$4,089,044</b>   |
| <b>4800-0030</b><br>Lead Agencies           | \$6,000,000          | \$6,000,000          | \$6,000,000          | \$6,000,000          | \$6,000,000          | \$6,000,000          | <b>\$6,000,000</b>   |
| <b>4800-0036</b><br>Sexual abuse            | \$698,740            | \$698,740            | \$698,740            | \$698,740            | \$698,740            | \$698,739            | <b>\$698,740</b>     |
| <b>4800-0038</b><br>Child & Families        | \$249,311,051        | \$251,236,051        | \$261,553,353        | \$270,288,680        | \$278,394,460        | \$283,620,923        | <b>\$282,777,853</b> |
| <b>4800-0040</b><br>Fam Supp Stab.          | \$44,610,551         | \$44,610,551         | \$44,610,551         | \$44,610,551         | \$45,460,551         | \$46,276,753         | <b>\$46,992,955</b>  |
| <b>4800-0041</b><br>Group care              | \$206,488,950        | \$208,488,950        | \$216,417,590        | \$243,802,414        | \$250,440,914        | \$264,642,587        | <b>\$263,926,536</b> |
| <b>4800-0091</b><br>Social Worker           | \$2,077,119          | \$2,077,119          | \$2,094,902          | \$2,094,903          | \$2,510,154          | \$2,364,604          | <b>\$2,466,084</b>   |
| <b>4800-0151</b><br>Overnight place         | \$1,028,388          | \$1,028,388          | \$504,388            | \$504,388            | \$504,388            | \$504,388            | <b>\$504,388</b>     |
| <b>4800-0200</b><br>Family Resource Centers | \$0                  | \$0                  | \$5,227,963          | \$5,228,000          | \$7,398,054          | \$7,398,054          | <b>\$9,978,898</b>   |
| <b>4800-1100</b><br>Social worker case mgt. | \$171,921,284        | \$173,051,284        | \$185,551,997        | \$192,916,020        | \$203,819,297        | \$203,047,077        | <b>\$223,462,675</b> |
| <b>TOTAL</b>                                | <b>\$753,960,793</b> | <b>\$761,383,484</b> | <b>\$800,559,588</b> | <b>\$845,513,441</b> | <b>\$879,627,009</b> | <b>\$898,450,234</b> | <b>\$936,111,907</b> |



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**4800-0015 Operations Account.** This account is funded at \$95,214,734 which is an increase of approximately \$14 million over the final FY16 spending. The line item also includes language:

- Allowing DCF to transfer up to 2% of funds from the case manager account to the operations account for the purpose of maintaining appropriate staffing ratios; and
- Allowing DCF to transfer up to 5% of funds among programmatic line items for services only, when necessary, provided that detailed notification be provided 15 days in advance to the Legislature.

**4800-0030 Service Coordination/Administration.** This account level-funds "lead agencies" at \$6 million.

**4800-0038 Services for Children and Families.** This account is funded at approximately \$282.7 million. Funding is for "permanency, stabilization, shelter, placement and congregate care." The language allows DCF to contract with provider agencies for the coordination and management of services, including flex services. It also funds the operation of the New Chardon Street homeless shelter.

**4800-0040 Family Support and Stabilization.** This account, which funds "family prevention and unification services", is funded at \$46.9 million. This is an increase of approximately \$716,000 over FY16 spending.

**4800-0041 Group Care.** The Governor's Budget funds this account at \$264 million. The language in the account permits the use of funds "to provide community-based services, including in-home support and stabilization services, to children who would otherwise be placed in congregate settings."

**4800-0151 Placement for Juvenile Offenders.** This account was level-funded. This account funds "alternative overnight non-secure placements for status offenders and nonviolent delinquent youths up to the age of 17 to prevent the inappropriate use of juvenile cells in police stations for such offenders." Programs are required to collaborate with the sheriffs' offices to refer the youth "to any programs within the sheriff's office designed to positively influence youths or reduce, if not altogether eliminate, juvenile crime."

**4800-0200 Family Resource Centers.** The Governor's budget funds this line item at \$9.9 million (which is a consolidation of this line item and 4000-0051 in FY16).

**4800-1100 Social Worker Case Management.** This account is funded at approximately \$223 million which is an increase of \$20 million over the final FY15 appropriation. The administration has indicated they will hire 230 new social workers and additional supervisors with the proposed funding.



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**Post-Natal Care for Substance-Exposed Infants**

| Line item/program  | FY'14 GAA | FY'14 Spending | FY'15 GAA | FY'15 Post 9C | FY'16 GAA | FY'16 Spending | FY'17 Governor |
|--|-----------|----------------|-----------|---------------|-----------|----------------|----------------|
| Post-natal care for substance-exposed newborns (1599-1450) | --        | --             | --        | --            | \$600,000 | \$600,000      | <b>\$0</b>     |

**1599-1450 Substance-Exposed Newborn Post-Natal Care.** The Governor did not fund this line item.

**Behavioral Health Triage Pilot - Quincy**

| Line item/program                    | FY'14 GAA | FY'14 Spending | FY'15 GAA | FY'15 Post 9C | FY'16 GAA | FY'16 Spending | FY'17 Governor |
|--------------------------------------|-----------|----------------|-----------|---------------|-----------|----------------|----------------|
| Behavioral Health Triage (1599-2004) | --        | --             | --        | --            | \$500,000 | \$500,000      | <b>\$0</b>     |

**1599-2004 Behavioral Health Triage Pilot in Quincy.** The Governor did not fund this pilot program.



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### Substance Abuse Services Fund Transfer

| Line item/program                         | FY'14 GAA | FY'14 Spending | FY'15 GAA | FY'15 Post 9C | FY'16 GAA   | FY'16 Spending | FY'17 Governor |
|---|-----------|----------------|-----------|---------------|-------------|----------------|----------------|
| Substance Abuse Services Fund (1595-4510) | \$0       | \$0            | \$0       | \$0           | \$5,000,000 | \$5,000,000    | \$5,000,000    |

**1595-4510 Substance Abuse Services Fund.** House 2 transfers \$5 million to a Substance Abuse Services Fund to “increase the number of clients receiving substance abuse treatment” through BSAS. BSAS would be mandated to “utilize a range of treatment settings” including, but not limited to:

- detoxification services;
- clinical stabilization services;
- residential treatment services;
- outpatient treatment services;
- counseling;
- promoting primary care practitioner's access to available, trained and certified addiction specialists for consultation or referral; and
- educating primary care providers about addiction prevention and treatment and to encourage primary care providers to screen for signs of substance abuse.

In determining use of expansion funds, BSAS is directed to select settings that:

- prioritize treatment methods that are evidence-based and cost effective;
- ensure substance abuse treatment access to historically underserved populations; and
- ensure availability of a continuum of services and care for clients entering substance abuse treatment.

DPH would be required to report quarterly to the legislature and EOAF on:

- the way funds were spent in the previous quarter, including an itemized accounting of the goods and services that were procured;
- an accounting of substance abuse services provided by the fund, broken down by month and type of service, since 2011 through the current quarter;
- the number of clients served, by month and type of service;
- the number of new and returning clients, by service;
- amounts expended by type of service for each month in the prior quarter; and
- procurement and service goals for the subsequent quarter.



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### Chapter 257 Rate Reserve

| Line item/program                    | FY'14 GAA | FY'14 Spending | FY'15 GAA    | FY'15 Post 9C | FY'16 GAA    | FY'16 Spending | FY'17 Governor      |
|--------------------------------------|-----------|----------------|--------------|---------------|--------------|----------------|---------------------|
| Chapter 257 Rate Reserve (1599-6903) | \$0       | \$0            | \$15,013,791 | \$15,013,791  | \$30,000,000 | \$21,058,061   | <b>\$36,245,575</b> |

**1599-6903 Chapter 257 Rate Reserve.** The line item funds the cost of implementation of Chapter 257 as well as the annualization of the human services salary reserve. The administration has indicated the rate reserve will fund the rates they anticipate to set in FY17. Funding for new rates set in FY16 were annualized in the programmatic line items.

### Human Services Salary Reserve

| Line item/program                         | FY'14 GAA     | FY'14 Spending | FY'15 GAA   | FY'15 Post 9C | FY'16 GAA | FY'16 Spending | FY'17 Governor                     |
|---|---------------|----------------|-------------|---------------|-----------|----------------|------------------------------------|
| Human Services Salary Reserve (1599-6901) | \$11,500,000* | \$11,500,000   | \$8,000,000 | \$8,000,000   | \$0       | \$5,287,476    | <b>Consolidated with 1599-6903</b> |

**1599-6901 Human Services Salary Reserve.** The FY16 salary reserve spending was for the annualized cost of the FY'15 salary reserve. In House 2, the Governor indicated the salary reserve was consolidated with the Chapter 257 rate reserve.



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## Other Line Items of Interest

| Line item/program   | FY'14 GAA    | FY'14 Spending | FY'15 GAA    | FY'15 Post 9C | FY'16 GAA    | FY'16 Spending | FY'17 Governor                         |
|---|--------------|----------------|--------------|---------------|--------------|----------------|--|
| <b>3000-6075</b><br>Early Childhood Mental Health           | \$750,000    | \$750,000      | \$750,000    | \$750,000     | \$750,000    | \$750,000      | <b>Consolidated<br/>Into 3000-1020</b> |
| <b>4512-0103</b><br>HIV/AIDS Program                        | \$32,108,793 | \$32,275,996   | \$32,229,847 | \$32,229,848  | \$33,120,000 | \$33,120,000   | <b>\$32,934,597</b>                    |
| <b>4512-0106</b><br>HIV/AIDS Drug Assistance Program        | \$7,500,000  | \$7,500,000    | \$7,500,000  | \$7,500,000   | \$7,500,000  | \$7,500,000    | <b>\$7,500,000</b>                     |
| <b>4512-0225</b><br>Compulsive Gamblers                     | \$1,500,000  | \$1,500,000    | \$1,500,000  | \$1,500,000   | \$1,500,000  | \$1,500,000    | <b>\$1,500,000</b>                     |
| <b>4513-1026</b><br>Statewide Suicide Prevention            | \$3,863,305  | \$3,863,305    | \$4,000,000  | \$3,855,239   | \$4,350,000  | \$4,350,000    | <b>\$4,130,748</b>                     |
| <b>7004-9033</b><br>DHCD Rental Subsidies for DMH           | \$4,125,000  | \$4,150,000    | \$5,125,000  | \$5,048,125   | \$5,548,125  | \$5,548,125    | <b>\$5,548,125</b>                     |
| <b>7010-0060</b><br>New grants for BH counselors in schools | N/A          | N/A            | \$5,000,000  | \$0           | \$500,000    | \$4,300,000    | <b>\$0</b>                             |



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### Outside Sections

**SECTION 7 - MassHealth Delivery System Reform and SANE Trust Funds.** This section establishes two new health-related trust funds. New section 2SSSS establishes the MassHealth Delivery System Reform Trust Fund to support MassHealth delivery system reform payments under an approved 1115 Demonstration Waiver and increased Medicaid reimbursements to acute care hospitals. Funding sources for the fund include a portion of the acute hospital assessment and federal financial participation revenues for expenditures made from the fund. New section 2TTTT establishes a statutory trust fund for the purpose of receiving funds from public or private sources, including philanthropic gifts and contributions, to support the Sexual Assault Nurse Examiner (SANE) Program.

**SECTION 12 - MassHealth Delivery System Reform I.** This section increases the acute hospital assessment to support delivery system reform and increased Medicaid reimbursements to acute hospitals.

**SECTION 13 - MassHealth Delivery System Reform II.** This section transfers a portion of the acute care hospital assessment to the MassHealth Delivery System Reform Trust Fund, to support delivery system reform and increased Medicaid reimbursements to acute care hospitals.

**SECTION 24 - Inspector General's Health Care Audits.** This section authorizes the Inspector General's Office to conduct audits of the Health Safety Net and the MassHealth program, at a cost of \$1M for fiscal year 2017. As in past years, this cost will be borne by the Health Safety Net Trust Fund.

**SECTION 37 - Department of Mental Health Trust Funds.** This section authorizes a one-time transfer from three mental community health center trusts and the mental health information system trust to the General Fund.

**SECTION 39 - Authority to Restructure MassHealth Benefits.** This section authorizes the Secretary of Health and Human Services to restructure MassHealth benefits to the extent permitted by federal law.

**SECTION 40 - MassHealth Delivery System Reform Trust Fund Transfer.** This section authorizes a one-time transfer from the MassHealth Delivery System Reform Trust Fund to the General Fund to support the Medicaid program.

**SECTION 45 - MassHealth Delivery System Reform Effective Dates.** This section provides that the sections pertaining to MassHealth's delivery system reform shall take effect on October 1, 2016.