

Administrative Circular

Commonwealth of Pennsylvania
Governor's Office

13-02
Number

Subject:

2013-14 Budget Hearing Materials

Date:

January 11, 2013

By Direction of:


Charles B. Zogby, Secretary of the Budget

Expiration Date:

January 11, 2014

Contact Agency:

Governor's Budget Office, Bureau of Budget Administration, Telephone 717.787.2542

Agencies must provide budget hearing materials to the House and Senate Appropriations Committees prior to budget hearings. All materials must reflect the decisions contained in the Governor's 2013-14 Executive Budget.

Attached is a reproduction of a request received from the Senate and House Appropriations Committees. Unless otherwise indicated in the attachment, all requested materials must be compiled and submitted directly to each committee no later than 10 days before an agency's scheduled hearing or as soon as possible for those agencies scheduled earlier than 10 days after the Governor's Budget is released. Agencies should review the attached letter carefully and note the following:

1. The emphasis on and the request for information regarding agency program goals/objectives, measures, performance, and effectiveness.
2. The formats requested by the committees for operating and program appropriations are attached to the letter.
3. A total of 45 copies of the hearing material are required by the House of Representatives. The Senate requires 42 copies. Listings of **contracts/grants** may be submitted as separate documents and **only six copies need to be submitted** to each of the committees.

4. Agencies not scheduled for a hearing before the appropriations committees must submit the required information to the committees by **March 1, 2013**.
5. In addition to the paper copies due prior to the hearings; provide by **March 1, 2013**, a list of contracts and grants in excess of \$5,000 in Microsoft Excel format that allows the user to search and sort by categories and groupings.
6. The requirement to identify the amount of prior-year appropriations waived pursuant to *Act 146 of 1980* and [Management Directive 310.3, Encumbering and Lapsing of Appropriations](#), used to support a 2012-13 appropriation, project or fund is included again (see Item 3(c)).

In response to Item 8 in the letter requesting templates for budget information, the Governor's Budget Office will provide information to agencies for their review.

Also, agencies have been asked to provide the status of pending litigation. This information will be provided to the committees by the Office of General Counsel and the Office of the Budget. Agencies should not include this information with the budget hearing materials.

As indicated, Request for Approval of Federal Funds (RAFF) forms are to be packaged separately and submitted with the hearing materials. Dollar amounts for 2013-14 should agree with the amounts printed in the Governor's Budget. If revisions to the Governor's Budget estimate for a federal appropriation are necessary, agencies must notify the Governor's Budget Office. Identify the appropriation title, the Governor's Budget estimate, the revised estimate, and the reason for the change in a memorandum to the Governor's Budget Office accompanying the Budget Office's copies of the RAFFs. All copies of the RAFFs must be clear and legible. Incomplete forms and illegible copies may be returned to the agency or not processed.

Two additional copies of all hearing materials, plus three sets of the RAFF forms, are to be submitted to the Governor's Budget Office **three days prior** to submission to the committees. Supplemental material requested by any of the committee chairmen is to be submitted to all four chairmen and the Governor's Budget Office. The committees have asked that all supplemental information requested during the agency hearings be supplied no later than five workdays following the day of the agency hearing.

Agencies will be notified by the committees of their individual hearing date, time, and location. Preparation of the historical data should begin immediately, along with any other data that can be assembled at this time. However, before completing the briefing package, each agency should thoroughly familiarize itself with the proposed amounts, policies and initiatives in the Governor's 2013-14 Executive Budget.

Incomplete information makes timely and thorough analysis difficult; therefore, incomplete or improper submissions may be returned for resubmission. Please give this request for material top priority and the appropriations committees your utmost cooperation.

Attachment:

Letter – House and Senate Appropriations Committees and Attachments



January 7, 2013

Honorable Charles Zogby
Secretary of the Budget
238 Main Capitol Building
Harrisburg, PA 17120

Dear Secretary Zogby:

We acknowledge that the Commonwealth continues to face fiscal challenges for FY2013-14 and we will approach the upcoming budget with the intent of targeting spending to programs producing demonstrated results. We will carefully examine programs to determine where need or performance and results do not warrant the continued expenditure of state funds. As part of that effort, we request that agencies provide detailed program performance information and data in their budget presentations. Such information should be based on materials already developed by agencies in preparing their budget requests or budget justifications.

Below is a detailed list of the information that must be submitted in both paper and electronic form ten days prior to the budget hearing for each agency. All hearing material should also be available in electronic format and accessible on the Budget Office FTP server. Those agencies that are not scheduled for a hearing should submit the information no later than March 1, 2013. Forty-five (45) copies should be prepared for the House Appropriations Committee and forty-two (42) copies for the Senate Appropriations Committee. Listings of contracts should be submitted in both electronic and paper form as separate documents and only six (6) copies need to be submitted to each of the committees.

- (1) **Table of Contents:** All hearing materials should have a table of contents, which refers to numbered pages in the document.
- (2) **Mission Statement:** Each agency should articulate its fundamental mission and identify the operational priorities reflected in its budget request. The mission statement should: communicate the agency's mission; outline the agency's goals and objectives; and briefly describe the agency's strategies and methods for achieving such goals and objectives.
- (3) **Appropriations:** The description of each program should include how the request was computed, what goals/objectives are to be achieved with the funds, and quantifiable information on which program performance can be gauged. Please include all of the statutory authority that established the program and authorizes the expenditure of funds. New programs or expanded programs should be explained in detail, identifying the objective, the cost implications, personnel requirements and how the impact of the program will be measured and evaluated. Each agency should:

- (a) Provide a detailed explanation of all assumptions used in the development of the appropriations request including assumptions related to complement, operating, fixed asset and grant and subsidy expenditures.
- (b) Identify any FY2011-12 obligations (including dollar amounts) rolled forward to FY2012-13; and any FY2012-13 obligations (including dollar amounts) proposed to be rolled forward to FY2013-14.
- (c) Identify the amount of any prior-year appropriations waived pursuant to Act 146 of 1980 and Management Directive 310.3 used to support a FY2012-13 appropriation, program or project.
- (d) Identify any appropriations of which you are aware for which a FY2012-13 supplemental appropriation is needed. Give dollar amount and date when the current appropriation will be exhausted.
- (e) If funds have been placed in budgetary reserve for FY2012-13, please indicate if these funds have been restored in FY2013-14 and provide an explanation/justification for the restoration.
- (f) Identify cost savings included as part of the budget request and provide a description of the impact of the proposed program funding changes.
- (g) Provide special fund financial statements and budgetary detail for each special fund which requires an appropriation or executive authorization in both hard copy and electronic format. Statements provided in electronic format should be in Excel with formulas where calculations occur. Budgetary detail should be provided for the actual, available, budget and budget planning years. As an example of how this information should be presented, we have attached a financial statement and budget detail for the PACE fund.
- (h) Agencies should also provide the status of pending litigation related to programs they administer that have the potential to impact the Commonwealth's fiscal position along with a brief description of each case.

The format for the agencies to describe each appropriation is attached to this letter. As an example of how agencies should present their appropriations requests, we have enclosed several pages from the Department of Public Welfare's FY2012-13 budget hearing materials. Agencies that do not follow the requested format will have their information returned and agency funding needs will not be considered until information is presented in the requested manner.

- (4) **Federal Augmentations:** The Request for Approval of Federal Funds Form (RAFF) should be filled out for each augmentation that is requested for the FY2013-14 budget. One copy of each form is to be provided to each executive director. The forms should be packaged by agency and should be submitted with the rest of an agency's presentation. As in the past, it is our intention to use this form throughout the year for all requested additions, deletions, or changes to the Federal Augmentations Appropriations Act.
- (5) **Restricted Receipt Accounts:** Provide a list of all restricted receipt accounts which will be necessary in the State Treasury. Also provide justification for each restricted receipt account including a RAFF form for federal restricted receipt accounts.

- (6) **Federal Block Grants:** Each agency should provide a spending plan of how they would like block grant money appropriated and of each programmatic area (including administration) within those appropriations. These spending plans should be provided in comparable format for state fiscal years 2011-12, 2012-13 and 2013-14. In addition, for fiscal year 2013-14 each agency should provide detail on the qualifying activities that may be funded with federal block grants, and justify its selection of the activities which it is proposing to fund with federal block grants. Each agency should also describe the types of organizations, public or private, eligible to provide block grant services.
- (7) **Contracts/Grants:** Provide a list of contracts in excess of \$5,000 that includes: the dollar value, the appropriation that funds it, the name, general location, and in the event that a trade or corporate name is used, list the trade or corporate name and principals. Provide the purpose of each contract including contracts for the provision of consulting services. In addition, please provide a separate list of interagency agreements. The list of contracts/grants should be for the entire 2011-12 fiscal year, the 2012-13 fiscal year to date, anticipated contracts for the remaining portion of the 2012-13 fiscal year, and where possible a list of anticipated contracts for fiscal year 2013-14. Additionally, by March 1, 2013, please provide contract and grant lists in electronic Microsoft Excel format via the Budget Office's FTP server. The user should be able to search and sort by categories and groupings.
- (8) **Templates:** In addition to the written material being requested from each agency, please provide one copy of the appropriation summary, complement summary, major object summary, special fund financial statements, and special fund appropriation budgets. Please provide this information in detailed computer files in Excel format for each appropriation or special fund and submit via the Budget Office's FTP server. All Excel files must contain formulas rather than values in cells where calculations occur where possible. Please provide a detailed explanation of all assumptions used in the development of the appropriation request including assumptions related to complement, operating, fixed asset and grant and subsidy expenditures.

All templates submitted via the FTP server must be in Excel format and must reflect and support the expenditure levels contained in the Governor's Budget submitted to the General Assembly on February 5, 2013. In addition, templates must permit the Appropriations Committees to update the data contained therein to reflect subsequent changes in complement, payroll, benefit rates and factors, retirement rates, etc. All data should be accessible on the FTP server no later than March 1, 2013.

Incomplete information makes timely and thorough analysis of the budget difficult. Please impress upon the various Agency Heads the necessity of complying with the format outlined and advise them that incomplete or improper submissions will be returned for resubmission.

Additional items of information may be requested under separate letter from either the Majority or Minority Chairman of the Appropriations Committees as well as by individual members and staff during the committees' hearings.

Since much of the information requested relates to appropriation decisions for the coming fiscal year, all requests for information made by committee members or staff during a hearing must be supplied to the committee chairman no later than five working days following the agency's hearing.

Secretary Charles Zogby

January 7, 2013

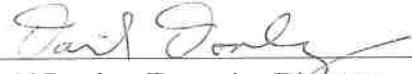
Page 4

In those exceptional cases when an agency believes it cannot comply with a particular request within the allotted time period, a letter justifying the need for additional time (including an alternate delivery date) must be supplied to the committee chairman during the initial five working day period.

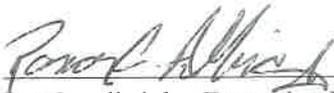
Sincerely,



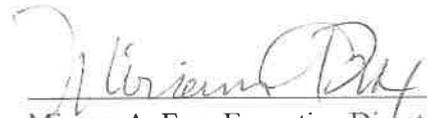
Greg Jordan, Executive Director
Senate Appropriations Committee (R)



David Donley, Executive Director
House Appropriations Committee (R)



Randy Albright, Executive Director
Senate Appropriations Committee (D)



Miriam A. Fox, Executive Director
House Appropriations Committee (D)

*Attachment: Format for Financial Statements – PACE Fund Example
Format for Appropriation Description – Department of Public Welfare Examples

DPW BUDGET REQUEST FOR FY 2012-2013
 (\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
 Pp. A3.12, E36.3, E36.11, E36.13

APPROPRIATION:
 Information Systems

I. SUMMARY FINANCIAL DATA	2010-2011 <u>Actual</u>	2011-2012 <u>Available</u>	2012-2013 <u>Budgeted</u>
State Funds	\$46,318	\$44,631	\$45,968
Federal Funds Total	\$122,010	\$104,734	\$102,020
Federal Sources Itemized			
<i>Medical Assistance - Information Systems</i>	\$78,731	\$69,694	\$66,926
<i>Child Welfare - Title IV-E - Information Systems</i>	\$787	\$1,441	\$1,357
<i>TANFBG - Information Systems</i>	\$9,186	\$9,327	\$9,235
<i>Food Stamps - Information Systems</i>	\$19,508	\$13,712	\$13,883
<i>Child Support Enforcement - Information Systems</i>	\$10,568	\$10,560	\$10,619
<i>COMPASS Support - FNS</i>	\$730	\$0	\$0
<i>ARRA - Early Intervention Data System</i>	\$2,500	\$0	\$0
Other Funds Total	\$626	\$100	\$100
Other Sources Itemized			
<i>Medical Assistance Data Exchange</i>	\$52	\$50	\$50
<i>Department of Insurance - Compass Support -</i> <i>Children's Health Insurance Program and Adult BASIC</i>	\$574	\$50	\$50
Total	\$168,954	\$149,465	\$148,088
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds Total		\$0	
Total		\$0	

DETAIL BY MAJOR OBJECT
(\$ Amounts in Thousands)

APPROPRIATION:
Information Systems

	2010-2011 Actual	2011-2012 Available	2012-2013 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$14,407	\$13,056	\$14,800	\$1,744	13.36%
Federal Funds	\$14,223	\$12,462	\$14,140	\$1,678	13.46%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$28,630	\$25,518	\$28,940	\$3,422	13.41%
OPERATING					
State Funds	\$31,785	\$30,175	\$31,042	\$867	2.87%
Federal Funds	\$106,562	\$89,592	\$87,022	(\$2,570)	-2.87%
Other Funds	\$626	\$100	\$100	\$0	0.00%
Total Operating	\$138,973	\$119,867	\$118,164	(\$1,703)	-1.42%
FIXED ASSETS					
State Funds	\$126	\$126	\$126	\$0	0.00%
Federal Funds	\$127	\$127	\$127	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$253	\$253	\$253	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$0	\$0	\$0	\$0	0.00%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$1,098	\$731	\$731	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$1,098	\$731	\$731	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$1,274	\$0	(\$1,274)	-100.00%
Federal Funds	\$0	\$1,822	\$0	(\$1,822)	-100.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$3,096	\$0	(\$3,096)	-100.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$46,318	\$44,631	\$45,968	\$1,337	3.00%
Federal Funds	\$122,010	\$104,734	\$102,020	(\$2,714)	-2.59%
Other Funds	\$626	\$100	\$100	\$0	0.00%
Total Funds	\$168,954	\$149,465	\$148,088	(\$1,377)	-0.92%

**APPROPRIATION:
Information Systems**

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012 Estimated</u>
State Funds	\$3,445	\$9,068	\$1,274

IV. COMPLEMENT INFORMATION	<u>12/31/2010</u>	<u>12/31/2011</u>	<u>2012-2013 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	336	313	313
<i>Filled</i>	314	309	290
Federally Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Other Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Total			
<i>Authorized</i>	336	313	313
<i>Filled</i>	314	309	290

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2012-2013 Governor's Executive Budget provides for an authorized complement of 313 positions. The funding for operating expenses provides for ongoing information technology (IT) support of the Department's benefit delivery systems, network infrastructure, enterprise data warehouse, and the Department's mainframe operations provided by the Commonwealth's Powerhouse Project. In addition, operating funding provides for ongoing operational maintenance and enhancements of specific IT projects, including the Client Information System (CIS) - Medical Eligibility Determination Automation (MEDA) project, the Commonwealth of Pennsylvania Application for Social Services (COMPASS) project, the Home and Community-Based Services Information System (HCSIS) project, the Child Care Management Information System (CCMIS), and Title IV-E systems.

Detail on the appropriation request is outlined in Section IV, entitled "Explanation of Changes" on the following pages.

Legislative Citations:

62 P.S. § 101 et seq.; 71 P.S. § 61

Disbursement Criteria:

This appropriation funds the data processing services for the Department of Public Welfare. Disbursements are made based on approved positions and established employee benefits, and through invoices submitted for operating expenses and fixed assets incurred in the operation of the program.

EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Information Systems			
	State \$	Federal \$	Other \$	Total \$
PERSONNEL				
1. Provides full-year funding for 290 salaried, part-year funding for 19 salaried positions and benefits only for four leave without pay positions:	\$1,087	\$1,051	\$0	\$2,138
2. Provides for a 1.0 percent general salary increase for union and management employees (without benefits):	\$135	\$129	\$0	\$264
3. Net change in total employee benefit costs:	\$522	\$498	\$0	\$1,020
Subtotal Personnel	\$1,744	\$1,678	\$0	\$3,422
OPERATING				
1. Reflects decrease in contracted costs associated with the Data Powerhouse:	(\$589)	(\$1,136)	\$0	(\$1,725)
2. Reflects reduction in software cost:	(\$378)	(\$2,112)	\$0	(\$2,490)
3. Reflects decrease in one-time prior year Medical Assistance funds:	\$0	(\$2,000)	\$0	(\$2,000)
4. Reflects increase in development of the Home and Community Services Information System (HCSIS):	\$120	\$1,076	\$0	\$1,196
5. Reflects decrease in transition costs associated with implementation of Request for Proposal 16-09:	\$0	(\$1,400)	\$0	(\$1,400)
6. Reflects increase in the design and development of the Child Welfare System:	\$1,866	\$0	\$0	\$1,866
7. Reflects change in available federal revenues:	(\$1,577)	\$1,577	\$0	\$0
Subtotal Operating	(\$558)	(\$3,995)	\$0	(\$4,553)
BUDGETARY RESERVE				
1. Reflects non-recurring budgetary freeze in Fiscal Year 2011-2012:	(\$1,274)	\$0	\$0	(\$1,274)
2. Reflects decrease in excess spending appropriation authority:	\$0	(\$1,822)	\$0	(\$1,822)
Subtotal Budgetary Reserve	(\$1,274)	(\$1,822)	\$0	(\$3,096)
FISCAL YEAR 2012-2013 INITIATIVES				
1. Initiative - Adult Protective Services A. Provides for the design, development and implementation of an adult protective services system to protect physically and cognitively impaired individuals ages 18 to 59:	\$425	\$425	\$0	\$850

EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 Information Systems

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
2. Initiative - General Assistance Program Reform				
A. Provides for information system changes associated with eliminating General Assistance (GA) cash benefits and revisions to eligibility criteria for Medical Assistance benefits provided through the GA program:	\$1,000	\$1,000	\$0	\$2,000
Subtotal Fiscal Year 2012-2013 Initiatives	\$1,425	\$1,425	\$0	\$2,850
TOTAL	\$1,337	(\$2,714)	\$0	(\$1,377)

INFORMATION SYSTEMS

PROGRAM STATEMENT

The Department of Public Welfare's (DPW) Information Technology (IT) services are funded through the Information Systems State and Federal appropriations. These appropriations fund the operations of the Bureau of Information Systems (BIS), the Department's centralized IT support organization, and finance IT services in the areas of information resource management strategy and planning; IT research and engineering; Information Systems (IS) development and delivery; IT infrastructure management and operation; IT program and project management; and IS performance management and security. These appropriations also fund IT initiatives for the Department's program, administrative and staff offices.

BIS provides Department-wide direction and coordination of IT plans, research, engineering, standards, policy, applications development, infrastructure management, customer support, program and project management, technical training and information resource management. BIS personnel plan, analyze, design, implement, maintain and operate large, complex, integrated information and office systems in support of all DPW offices. The Department's automated systems provide for the determination of eligibility for benefits; the disbursement of cash, food, and other benefits; and the management of home and community-based services. Most of the Department's information systems are partially funded by the Federal government and must comply with Federal guidelines, laws and regulations. These systems are critical in providing benefits to approximately 2.7 million eligible recipients in the Commonwealth of Pennsylvania.

In addition, DPW's BIS provides IT support and services for the Pennsylvania Insurance Department (PID) and the Pennsylvania Department of Aging (PDA). With the exception of personnel expenses for former PID and PDA IT staff, funding for PID and PDA IT projects, equipment, etc., is included in their respective budgets.

Following are the IT initiatives included in the Governor's Executive Budget for Fiscal Year 2012-2013 within the Information Systems appropriation:

CLIENT INFORMATION SYSTEM REDESIGN

The function of the Client Information System (CIS) is to provide automated welfare data processing for Cash Assistance, Medicaid and Food Stamp recipients. It supports over 5,000 County Assistance Office (CAO) workers statewide, with a total caseload of approximately 2.7 million clients. CIS is a mainframe legacy system which was first implemented in 1978 and has had numerous additions and updates on various generations of technology. Given that it is over 30 years old, CIS has a number of limitations including its aged technology, inability to implement changes to support the business needs in a timely manner and duplication in the software across the various releases leading to cost increases in the overall total cost of ownership. From a business perspective, it does not lend itself to ease of data capture, user interaction or overall third-party access for service delivery. The legacy architecture is not able to cope with the increasing demands on CIS due to a declining economy where more individuals than ever are turning to state-provided benefits and services. This increase in demand, coupled with a reduction in the state workforce due to a hiring freeze, requires us to work smarter with fewer resources. One way the Department has identified to accomplish this is by migrating components of CIS to newer Web-enabled, technology-based solutions that would improve the overall productivity and efficiency of the workforce.

In Fiscal Year 2012-2013, the Department will continue the incremental renewal of CIS by moving more components of CIS from the mainframe platform to the Web-based system - the Web-enabled Client Information System (eCIS). eCIS is based on up-to-date technology that is user friendly, easily

adaptable to change and cost-effective. The antiquated code will be replaced with Web-based code that is compliant with Commonwealth standards. Expensive mainframe processing will be replaced with less expensive server technology. This will result in system changes that can be accomplished in days instead of months, and once completed will enable the CAOs to efficiently deliver timely, customer-centric, integrated services to Pennsylvania's most vulnerable citizens.

HOME AND COMMUNITY-BASED SERVICES INFORMATION SYSTEM

The Home and Community-Based Services Information System (HCSIS) is a centralized Web-enabled consumer case management system that provides data collection and State-level program management and functions as the daily operating system for the 49 County Mental Retardation and Early Intervention Administrative Entities. Major functional areas within HCSIS include: client management and eligibility determination; supports coordination management; provider management; financial management and claims pricing; quality management; and reporting. HCSIS is comprised of seven modules developed and implemented to meet the individualized policy and operational needs of those business units.

Planned HCSIS project activities for Fiscal Year 2012-2013 include: ongoing system maintenance; HCSIS helpdesk; ongoing support for claims processing activities with PROMISE; new report development; and continued technical upgrades to a new Microsoft operating platform; additional functionality for the Offices of Mental Health and Substance Abuse Services, Developmental Programs (including Autism Services), Long Term Living, Child Development and Early Learning, and the Department of Aging. The HCSIS project will build on existing functionality to improve the management and monitoring of the Home and Community-Based waiver programs, facilitate consumer involvement and broaden access to information. The system will also be enhanced for multiple initiatives to support compliance with Centers for Medicare and Medicaid Services (CMS).

CHILD WELFARE INFORMATION SYSTEM

DPW concluded a feasibility study and alternatives analysis for the successful design, development and implementation of an information technology solution to support Pennsylvania's child welfare programs and has now formalized a strategic implementation plan for the component parts of the automated child welfare initiative. One of the first steps in bridging this gap is to provide a centralized, unduplicated repository of individuals by bringing child welfare constituents into the Department's Master Client Index. This repository will provide authorized staff with the capability to determine if a person is known to other Children and Youth program areas and also other DPW systems. Other activities slated for 2012-2013 include: development of a data dictionary; planning activities, such as validating requirements and development of the General System Design and Data Model document; and beginning to plan and create a State-wide, central, searchable database that includes a near-time data Adoption and Foster Care Analysis and Reporting System reporting in 2013.

PA'S ENTERPRISE TO LINK INFORMATION FOR CHILDREN ACROSS NETWORKS

PA's Enterprise to Link Information for Children Across Networks (PELICAN) is an integrated management system that supports Child Care Works (the subsidized child care program), Early Intervention, Early Learning Services, Provider Certification and the Early Learning Network; and provides on-line information for citizens about quality early learning opportunities and providers. PELICAN provides the Commonwealth a means to assess accountability and monitoring across the early learning continuum to ensure program integrity.

Planned PELICAN project activities for Fiscal Year 2012-2013 include: ongoing system maintenance; providing subsidized Child Care correspondence to citizens in their preferred language; reducing Child Care Information Services operational costs and offering a cost-effective model while

improving operational efficiency by reengineering the existing model; tracking projected Pre-School Early Intervention spending and claim amounts against allocated amounts; and making available the ability to authorize services on Individual Education Plans for payments and payment processing.

FISCAL YEAR 2012-2013 - INITIATIVE – GENERAL ASSISTANCE PROGRAM REFORM

Many other states do not have state-funded programs such as General Assistance (GA). Included in the Fiscal Year 2012-2013 Budget is the elimination of the cash portion of General Assistance. Revisions will also be made to the eligibility criteria for Medical Assistance benefits. These revisions will include changes to minimum work requirements for medically needy recipients and, for categorically needy recipients, tightened definitions of temporary medical conditions and clarify what medications are necessary for someone to work. Information Systems changes to CIS, eCIS, Commonwealth of Pennsylvania Application for Social Services (COMPASS), including online and batch eligibility, will be needed to support this initiative. The changes will include deactivating the request for GA in COMPASS, eCIS and CIS. In addition, changes will include eligibility deactivation, notices, interfaces and triggers.

FISCAL YEAR 2012-2013 - INITIATIVE - ADULT PROTECTIVE SERVICES

Systems changes are needed to support the Adult Protected Services Act which was signed into law on October 7, 2011 by Governor Edward G. Rendell (Act No. 70 of 2010). Under the new law DPW is charged with administering an adult protective services program to protect abused, neglected or abandoned adults between ages 18 and 59 who have a physical or mental impairment that substantially limits major life activities. The bill also requires employees and administrators of facilities where adults covered under the act receive services to report suspected abuse.

DPW BUDGET REQUEST FOR FY 2012-2013
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A3.11, E36.7, E36.10, E36.28-E36.31, E36.40

APPROPRIATION:
Intellectual Disabilities - Community Base Program

I. SUMMARY FINANCIAL DATA	2010-2011	2011-2012	2012-2013
	<u>Actual</u>	<u>Available</u>	<u>Budgeted</u>
State Funds	\$155,958	\$166,520	\$20,746
Federal Funds Total	\$66,036	\$64,460	\$27,387
Federal Sources Itemized			
<i>Medical Assistance-Community ID Services</i>	\$57,674	\$57,960 ¹	\$27,387
<i>ARRA-Medical Assistance-Community ID</i>			
<i>Base</i>	\$1,862	\$0	\$0
<i>SSBG-Community ID Services</i>	\$6,500	\$6,500	\$0
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$221,994	\$230,980	\$48,133
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds		\$566	
Federal Sources Itemized			
<i>Medical Assistance-Community ID Services</i>		\$566	
Total		<u>\$566</u>	
¹ Act 1-A of 2011 included Federal Medical Assistance appropriation authority of \$57.394 million for Fiscal Year 2011-2012. However, the Governor's Executive Budget for Fiscal Year 2012-2013 reflects a \$0.566 million supplemental request for a revised Fiscal Year 2011-2012 Federal Medical Assistance total of \$57.960 million.			

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Intellectual Disabilities - Community Base Program			
	2010-2011 Actual	2011-2012 Available	2012-2013 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$10,584	\$11,423	\$11,423	\$0	0.00%
Federal Funds	\$13,606	\$16,231	\$16,231	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$24,190	\$27,654	\$27,654	\$0	0.00%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$145,374	\$146,771	\$9,323	(\$137,448)	-93.65%
Federal Funds	\$52,430	\$47,055	\$11,156	(\$35,899)	-76.29%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$197,804	\$193,826	\$20,479	(\$173,347)	-89.43%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$8,326	\$0	(\$8,326)	-100.00%
Federal Funds	\$0	\$1,174	\$0	(\$1,174)	-100.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$9,500	\$0	(\$9,500)	-100.00%
COMMITTED/UNALLOCATED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Committed/Unallocated	\$0	\$0	\$0	\$0	0.00%
EXCESS FEDERAL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Excess Federal	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$155,958	\$166,520	\$20,746	(\$145,774)	-87.54%
Federal Funds	\$66,036	\$64,460	\$27,387	(\$37,073)	-57.51%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$221,994	\$230,980	\$48,133	(\$182,847)	-79.16%

APPROPRIATION:
Intellectual Disabilities - Community Base Program

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012 Estimated</u>
State Funds	\$1,566	\$0	\$8,326

IV. COMPLEMENT INFORMATION	<u>12/31/2010</u>	<u>12/31/2011</u>	<u>2012-2013 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2012-2013 Governor's Executive Budget provides for Medicaid eligible supports coordination and various contracts. Detail on the appropriation request is outlined in Section VI entitled "Explanation of Changes" on subsequent pages.

Legislative Citations:

62 P.S. §§ 201, 206; MH/ID Act of 1966, 50 P.S. § 4101 et seq; Title XIX of the Social Security Act, 42 U.S.C. § 1396 et seq; 62 P.S. § 441.1 et seq.

Disbursement Criteria:

Disbursements are based on invoices submitted by providers for payment of Medicaid eligible services rendered through the Provider Reimbursement and Operations Management Information System (PROMISE) and for services provided under the terms of various administrative contracts.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Intellectual Disabilities - Community Base Program			
	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
OPERATING				
1. Provides operating funding at the Fiscal Year 2011-2012 level of \$27.654 million (\$11.423 million in State funds):	\$0	\$0	\$0	\$0
Subtotal Operating	\$0	\$0	\$0	\$0
GRANT & SUBSIDY				
1. Provides for the impact of a decrease in the Federal Medical Assistance Percentage (FMAP) rate from 55.07 percent to 54.28 percent, effective October 1, 2012:	\$151	(\$151)	\$0	\$0
2. Impact of increase in available Title XX Social Services Block Grant funding:	(\$951)	\$951	\$0	\$0
3. Impact of committed/unallocated Fiscal Year 2011-2012 Federal Medical Assistance funding:	\$0	(\$60)	\$0	(\$60)
4. Replacement of non-recurring Fiscal Year 2011-2012 budgetary freeze:	\$8,326	\$1,174	\$0	\$9,500
Subtotal Grant & Subsidy	\$7,526	\$1,914	\$0	\$9,440
BUDGETARY RESERVE				
1. Impact of non-recurring Fiscal Year 2011-2012 budgetary freeze:	(\$8,326)	(\$1,174)	\$0	(\$9,500)
Subtotal Budgetary Reserve	(\$8,326)	(\$1,174)	\$0	(\$9,500)
INITIATIVES				
GRANT & SUBSIDY				
1. Initiative - Human Services Development Fund Block Grant				
A. Reflects the transfer of county-allocated community intellectual disabilities services from this appropriation to the Human Services Development Block Grant appropriation to provide local governments with increased flexibility to meet local needs:	(\$144,974)	(\$37,813)	\$0	(\$182,787)
Subtotal Initiatives	(\$144,974)	(\$37,813)	\$0	(\$182,787)
TOTAL	<u>(\$145,774)</u>	<u>(\$37,073)</u>	<u>\$0</u>	<u>(\$182,847)</u>

INTELLECTUAL DISABILITIES-COMMUNITY BASE PROGRAM

PROGRAM STATEMENT

The Mental Health and Intellectual Disability Act of 1966 mandated the availability of community services for citizens with intellectual disabilities and their families. The statute created State and county funds for persons with intellectual disabilities and county administered community programs in Pennsylvania.

In 1966, all services were provided in State institutions which cared for over 13,000 people with intellectual disabilities. By the end of Fiscal Year 2010-2011, there were less than 1,200 people remaining in State facilities while more than 50,000 people received services in the community. This change has followed the national trend to provide community services as an alternative to institutional care. Changes in Federal and State laws, as well as new funding initiatives, have created education programs, family support services, employment training and home and community-based services for people with disabilities. These trends are built on the recognized values of family relationships and participation in community life.

The Intellectual Disabilities–Community Base Program appropriation provides funding for services to individuals of all ages with an intellectual disability diagnosis who are not eligible for the Intellectual Disabilities-Community Waiver program and to Medicaid eligible individuals not yet enrolled in the Waiver program. About 25,000 people received Base Program services in Fiscal Year 2010-2011. Some of the services provided include: supports coordination; family aide; family education training; recreational therapy and recreation/leisure time activities; vocational therapy; dental hygienic; employment training; and home modifications. The services available for individuals enrolled in the Community Base Program are comparable to the services received by individuals enrolled in the Waivers.

In order to assure that people with intellectual disabilities receive the best physical and behavioral health services, there are eight Health Care Quality Units (HCQUs) that together serve all counties in the Commonwealth. The HCQUs serve as the entities responsible to County/Joinder Mental Health/Intellectual Disabilities programs for the overall health status of individuals (Waiver and non-Waiver) receiving services in the county/joinder programs. The physical and behavioral health knowledge and competency of intellectual disability providers and supports coordinators, other county personnel, families, consumers and community medical providers are enhanced through training and technical assistance on topics identified by the HCQUs.

The Independent Monitoring for Quality (IM4Q) process measures the quality of supports and services within the intellectual disabilities system using nationally recognized methods. The IM4Q surveys are administered under contract with individual County/Joinder Mental Health/Intellectual Disabilities programs. As part of the IM4Q process, independent monitoring teams, which are free of conflict of interest, conduct interviews with individuals (Waiver and non-Waiver) receiving services and families, and report back to the County/Joinder Mental Health/Intellectual Disabilities program for purposes of continuous quality improvement. The IM4Q information is entered directly by independent monitoring programs into the Home and Community Services Information System (HCSIS) with assurance that the information remains confidential and secure.

FISCAL YEAR 2012-2013 INITIATIVES – HUMAN SERVICES DEVELOPMENT FUND BLOCK GRANT

Under this initiative the funding for the following six programs will be combined into the Human Services Development Fund Block Grant: Mental Health Services—Community Programs; Behavioral Health Services; Intellectual Disabilities—Community Base Program; County Child Welfare Special Grants; Homeless Assistance Program; and Act 152 Drug and Alcohol. Counties have long requested relief from State mandates and this proposal is to give the counties more flexibility in return for a 20

percent reduced allocation across the six programs. Intellectual Disabilities— Community Base Program savings from this initiative will result from the elimination of funding for county-allocated community intellectual disabilities services with eighty percent of these savings to be transferred to the Human Services Development Block Grant appropriation.

DPW BUDGET REQUEST FOR FY 2012-2013
 (\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
 Pp. E36.7, E36.28-E36.31, E36.40

APPROPRIATION:
 Intellectual Disabilities - Community Waiver Program

I. SUMMARY FINANCIAL DATA

	2010-2011 Actual	2011-2012 Available	2012-2013 Budgeted
State Funds	\$672,376	\$854,863	\$871,085
Federal Funds Total	\$1,108,825	\$949,606	\$951,969
Federal Sources Itemized			
<i>Medical Assistance-Community ID Waiver Program</i>	\$955,580	\$949,606	\$951,969
<i>ARRA-Medical Assistance-Community ID Waiver</i>	\$153,245	\$0	\$0
Other Funds Total	\$30,000	\$0	\$0
Other Funds Sources Itemized			
<i>Intergovernmental Transfer</i>	\$30,000	\$0	\$0
Total	\$1,811,201	\$1,804,469	\$1,823,054

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds	\$0
Total	\$0

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Intellectual Disabilities - Community Waiver Program				
	2010-2011 Actual	2011-2012 Available	2012-2013 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$672,376	\$854,863	\$871,085	\$16,222	1.90%
<i>Federal Funds</i>	\$1,108,825	\$949,606	\$945,913	(\$3,693)	-0.39%
<i>Other Funds</i>	\$30,000	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$1,811,201	\$1,804,469	\$1,816,998	\$12,529	0.69%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$6,056	\$6,056	---
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$6,056	\$6,056	---
COMMITTED/UNALLOCATED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Committed/Unallocated	\$0	\$0	\$0	\$0	0.00%
EXCESS FEDERAL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Excess Federal	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$672,376	\$854,863	\$871,085	\$16,222	1.90%
<i>Federal Funds</i>	\$1,108,825	\$949,606	\$951,969	\$2,363	0.25%
<i>Other Funds</i>	\$30,000	\$0	\$0	\$0	0.00%
Total Funds	\$1,811,201	\$1,804,469	\$1,823,054	\$18,585	1.03%

APPROPRIATION:
Intellectual Disabilities - Community Waiver Program

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2009-2010	2010-2011	2011-2012 Estimated
State Funds	\$14	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2010	12/31/2011	2012-2013 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2012-2013 Governor's Executive Budget provides for maintenance of the current program, including annualization of the Fiscal Year 2011-2012 conversion of 114 individuals from the Private ICF/ID program to the Waiver program, the community placement of 50 individuals transferred from State Centers for the Intellectually Disabled, and the community placement of 35 individuals transferred from the Mental Health Services program to the Consolidated Waiver program.

It also provides for the Fiscal Year 2012-2013 conversion of 84 beds from the Private ICF/ID program to the Waiver program, the Fiscal Year 2012-2013 Adult Protective Services Initiative, and the Fiscal Year 2012-2013 High-Cost Case Reviews Initiative.

Detail on the appropriation request is outlined in Section VI entitled "Explanation of Changes" on subsequent pages.

Legislative Citations:

62 P.S. §§ 201, 206; Title XIX of the Social Security Act, 42 U.S.C. § 1396 et seq; 62 P.S. § 441.1 et seq.

Disbursement Criteria:

Disbursements are based on invoices for Waiver services rendered that providers submit for payment through the Provider Reimbursement and Operations Management Information System (PROMISe).

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Intellectual Disabilities - Community Waiver Program			
	State \$	Federal \$	Other \$	Total \$
GRANT & SUBSIDY				
1. Provides for the annualization of the Fiscal Year 2011-2012 conversion of 114 individuals from the Private ICF/ID program to the Waiver:	\$2,559	\$2,551	\$0	\$5,110
2. Provides for the Fiscal Year 2012-2013 conversion of 84 individuals from the Private ICF/ID program to the Waiver program:	\$2,969	\$2,865	\$0	\$5,834
3. Provides for the annualization of the Fiscal Year 2011-2012 community placement of 50 individuals from State Centers for the Intellectually Disabled under the terms of the Benjamin v. DPW litigation:	\$1,792	\$4,085	\$0	\$5,877
4. Provides for the annualization of the Fiscal Year 2011-2012 community placement of 35 individuals from State Mental Hospitals under the terms of the Jimmie v. DPW litigation:	\$2,289	\$2,634	\$0	\$4,923
5. Other changes to continue current program:	\$9,740	\$14,295	\$0	\$24,035
6. Provides for the impact of a decrease in the Federal Medical Assistance Percentage (FMAP) rate from 55.07 percent to 54.28 percent, effective October 1, 2012:	\$13,329	(\$13,329)	\$0	\$0
Subtotal Grant & Subsidy	\$32,678	\$13,101	\$0	\$45,779
INITIATIVES				
GRANT & SUBSIDY				
1. Adult Protective Services Initiative				
A. Provides funding for the implementation of provisions under Adult Protective Services legislation to protect cognitively impaired individuals ages 18 through 59:	\$544	\$206	\$0	\$750
2. High-Cost Case Reviews Initiative				
A. Savings generated through intensive review and case management of high-cost consumers enrolled in Medical Assistance programs that reimburse for services based on utilization and fee schedules:	(\$17,000)	(\$17,000)	\$0	(\$34,000)
Subtotal Initiatives	(\$16,456)	(\$16,794)	\$0	(\$33,250)
BUDGETARY RESERVE				
1. Reflects excess Federal Medical Assistance funds:	\$0	\$6,056	\$0	\$6,056
Subtotal Budgetary Reserve	\$0	\$6,056	\$0	\$6,056
TOTAL	\$16,222	\$2,363	\$0	\$18,585

INTELLECTUAL DISABILITIES – COMMUNITY WAIVER PROGRAM

PROGRAM STATEMENT

The Mental Health and Intellectual Disability Act of 1966 mandated the availability of community services for citizens with intellectual disabilities and their families. The statute created State and county funded and county administered community programs in Pennsylvania.

In 1966, all services were provided in State institutions which cared for over 13,000 people with intellectual disabilities. By the end of Fiscal Year 2010-2011, there were less than 1,200 people remaining in State facilities while more than 50,000 people received services in the community. This change has followed the national trend to provide community services as an alternative to institutional care. Changes in Federal and State laws, as well as new funding initiatives, have created education programs, family support services, employment training and home and community-based services for people with disabilities. These trends are built on the recognized values of family relationships and participation in community life.

The Secretary of the United States Department of Health and Human Services is authorized under Section 1915(c) of the Social Security Act to waive certain Medicaid statutory requirements. These waivers allow Pennsylvania to provide home and community-based services for individuals with an intellectual disability diagnosis as an alternative to institutional care.

The first Home and Community-Based Services Waiver for individuals with intellectual disabilities in Pennsylvania began in the Philadelphia area in 1983. This was followed by two additional Waivers that covered other areas of the state. In 1987, the three earlier Waivers were combined into the Statewide Consolidated Waiver. The Person/Family Directed Supports (PFDS) Waiver began in 1999.

The Intellectual Disabilities-Community Waiver Program provides funding for Consolidated Waiver and PFDS Waiver enrolled individuals age three and older who would otherwise require the level of care provided in an Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/ID). Some of the eligible services provided include: habilitation (residential, day, prevocational, and supported employment); respite; transportation; environmental accessibility adaptations; homemaker/chore; adaptive appliances and equipment; specialized therapies (physical, occupational, speech, hearing, language, visual/mobility, and behavioral); nursing services; and supports coordination.

Residential services include community residential programs provided in licensed homes for up to eight people and supports to individuals renting or owning their own homes. Family living is an option available to people who want to live as part of another family. In family living, one or two people receive services in a licensed family home of an unrelated adult.

Beginning July 1, 2009, waiver capacity management has been managed statewide by central office staff. Payments for services provided to individuals enrolled in the Waiver program are now made directly from the State Treasury to providers based on established fee-for-service rates utilizing the Provider Reimbursement and Operations Management Information System (PROMISe).

The Intellectual Disabilities-Community Waiver Program's budget provides more than \$1.8 billion in funding for Consolidated Waiver and PFDS Waiver enrolled individuals. During Fiscal Year 2010-2011, 16,104 persons were enrolled in the Consolidated Waiver and 11,206 persons were enrolled in the PFDS Waiver.

FISCAL YEAR 2012-2013 INITIATIVE – HIGH-COST CASE REVIEWS

The Governor's Executive Budget for Fiscal Year 2012-2013 reflects savings totaling \$34.000 million (\$17.000 million in State funds) that will be realized through the intensive review and case management of high-cost consumers enrolled in medical assistance programs that reimburse for services based on utilization and fee schedules.

FISCAL YEAR 2012-2013 INITIATIVES – ADULT PROTECTIVE SERVICES

The Fiscal Year 2012-2013 Governor's Executive Budget includes funding for an adult protective services system. Act 70 of 2010, known as the Adult Protective Services Act established the Adult Protective Services program under the Department of Public Welfare to protect individuals age 18 to 59 with a physical or mental impairment.

Funding is included in the Governor's Executive Budget to:

- Implement an adult protective services system to protect physically and cognitively impaired individuals ages 18 through 59 that will log and track cases to ensure that proper action were taken and the individual was protected.
- Establish a dedicated phone line to report cases of abuse and neglect for the population.
- Dedicate resources in each office to investigate priority allegations of adult abuse or neglect for those who were previously known and unknown to the Department.

**Pharmaceutical Assistance Fund
Financial Statement
FY 2012-13 Budget**

	2010-11 Actual	2011-12 Available	2012-13 Budget	2013-14 Estimate	2014-15 Estimate	2015-16 Estimate	2016-17 Estimate
Beginning Balance	\$ 67,592	\$ 54,123	\$ 55,773	\$ 26,533	\$ 17,274	\$ 11,605	\$ 8,314
Receipts:							
Transfer from Lottery Fund	\$ 200,000	\$ 200,000	\$ 190,000	\$ 215,000	\$ 225,000	\$ 235,000	\$ 245,000
Transfer from Tobacco Fund	26,148	24,790	24,877	24,877	24,877	24,877	24,877
Interest	6,229	687	687	687	687	687	687
Retire & Replacement Cks	0	0	0	0	0	0	0
Chronic Renal Disease	5,268	5,568	5,498	5,498	5,498	5,498	5,498
Special Pharmaceuticals	53,187	58,423	65,696	65,696	65,696	65,696	65,696
State Workers Insurance Fund	21	0	0	0	0	0	0
Auto Cat Claims Processing	1,116	793	793	793	793	793	793
Wrkrs Comp Claims Processing	3,768	2,900	2,900	2,900	2,900	2,900	2,900
L-CAP Program	0	0	0	0	0	0	0
Other	(50)	0	0	0	0	0	0
Total receipts	295,687	293,161	290,451	315,451	325,451	335,451	345,451
Total Funds Available	\$ 363,279	\$ 347,284	\$ 346,224	\$ 341,984	\$ 342,725	\$ 347,056	\$ 353,765
Expenditures:							
Current exec auth							
Comprehensive Program	\$ 78,148	\$ 60,413	\$ 84,230	\$ 82,577	\$ 81,516	\$ 80,722	\$ 80,172
PACENET Program	136,326	121,942	135,431	141,799	149,248	157,226	166,661
Contracted services	\$ 214,474	\$ 182,356	\$ 219,661	\$ 224,376	\$ 230,764	\$ 237,948	\$ 246,833
Administration	21,273	27,323	23,389	23,693	23,715	24,153	24,605
Comptroller	0	0	0	0	0	0	0
Treasury	0	5	5	5	5	5	5
Vouchers Payable in Transit							
Prior exec auth							
Contracted services	6,209	12,359	0	0	0	0	0
Administration	1,882	35	0	0	0	0	0
Comptroller	0	0	0	0	0	0	0
Treasury							
Restricted receipts							
Payroll deductions	0	0	0	0	0	0	0
Restricted revenue							
Chronic Renal Disease	5,327	5,568	5,498	5,498	5,498	5,498	5,498
Special Pharmaceutical	55,566	58,423	65,696	65,696	65,696	65,696	65,696
State Workers Insurance Fund	511	0	0	0	0	0	1
Auto Cat Claims Processing	785	793	793	793	793	793	793
Wrkrs Comp Claims Processing	2,594	2,900	2,900	2,900	2,900	2,900	2,900
AG Settlements/L-CAP Program	535	1,749	1,749	1,749	1,749	1,749	1,749
Reserve							
Chronic Renal Disease	0	0	0	0	0	0	0
Special Pharmaceutical	0	0	0	0	0	0	0
Total expenditures	309,156	291,511	319,691	324,710	331,120	338,742	348,080
Ending Balance	\$ 54,123	\$ 55,773	\$ 26,533	\$ 17,274	\$ 11,605	\$ 8,314	\$ 5,685

This is a cash basis financial statement and does not tie to the Statement of Cash Receipts and Disbursements.

**Pharmaceutical Assistance Fund
2012-13 Budget**

	PACE 2010-11	PACENET 2010-11	TOTAL 2010-11	PACE 2011-12	PACENET 2011-12	TOTAL 2011-12	PACE 2012-13	PACENET 2012-13	TOTAL 2012-13
Cardholders	125,900	182,100	308,000	120,173	183,956	304,129	112,602	190,946	303,548
% Change	-5.74%	3.60%		-4.55%	1.02%		-6.30%	3.80%	
Cost Per Claim	\$24.79	\$31.92		\$20.74	\$21.04		\$21.19	\$21.39	
% Change	2.60%	11.10%		-16.33%	-34.08%		2.17%	1.65%	
Scripts/person	35.6	31.8		35.2	33.1		35.2	33.1	
	-3.59%	-4.39%		-1.02%	4.28%		0.00%	-0.09%	
Total Drug Cost	\$111,078	\$184,752	\$295,830	\$87,811	\$128,302	\$216,114	\$84,063	\$135,246	\$219,309
Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Current Program Cost	111,078	184,752	295,830	87,811	128,302	216,114	84,063	135,246	219,309
Medicare Part D - premiums	\$18,008	\$16,323	\$34,331	\$21,178	\$18,041	\$39,219	\$21,958	\$18,705	\$40,663
Third Party Recovery	(\$10,000)	\$0	(\$10,000)	(\$33,000)	\$0	(\$33,000)	(\$10,000)	\$0	(\$10,000)
Rebates	(\$22,128)	(\$35,085)	(\$57,213)	(\$12,553)	(\$19,373)	(\$31,926)	(\$9,623)	(\$15,116)	(\$24,739)
Rebates - HCR Flat Rate	(\$9,386)	(\$15,610)	(\$24,996)	(\$1,485)	(\$2,471)	(\$3,956)	(\$2,168)	(\$3,404)	(\$5,572)
HCR - 50% Manufacturer Discount	(\$4,499)	(\$7,483)	(\$11,982)	(\$1,500)	(\$2,494)	(\$3,994)	\$0	\$0	\$0
HCR - Generic Discount	(\$112)	(\$185)	(\$297)	(\$38)	(\$63)	(\$101)	\$0	\$0	\$0
Other Discounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Recoupments	(\$28,117)	(\$42,040)	(\$70,157)	(\$27,398)	(\$6,360)	(\$33,758)	\$167	\$185	\$352
Adjustment to match current EA		\$2,010	\$2,010						
Total(000's)	\$82,961	\$144,722	\$227,683	\$60,413	\$121,942	\$182,356	\$84,230	\$135,431	\$219,661
Medicare Part D - non-LIS	\$18,008	\$16,323	\$34,331	\$21,178	\$18,041	\$39,219	\$21,958	\$18,705	\$40,663

**Pharmaceutical Assistance Fund
2012-13 Budget**

	PACE 2013-14	PACENET 2013-14	TOTAL 2013-14	PACE 2014-15	PACENET 2014-15	TOTAL 2014-15	PACE 2015-16	PACENET 2015-16	TOTAL 2015-16	PACE 2016-17
Cardholders	105,508	196,675	302,183	98,861	202,575	301,436	92,633	208,652	301,285	86,797
% Change	-6.30%	3.00%		-6.30%	3.00%		-6.30%	3.00%		-6.30%
Cost Per Claim	\$21.65	\$21.71		\$22.22	\$22.16		\$22.81	\$22.63		\$23.43
% Change	2.17%	1.52%		2.64%	2.05%		2.67%	2.13%		2.70%
Scripts/person	35.2	33.1		35.2	33.0		35.2	33.0		35.2
	0.00%	-0.12%		0.00%	-0.12%		0.00%	-0.12%		0.00%
Total Drug Cost	\$80,476	\$141,261	\$221,737	\$77,395	\$148,311	\$225,706	\$74,454	\$155,840	\$230,294	\$71,644
Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Current Program Cost	80,476	141,261	221,737	77,395	148,311	225,706	74,454	155,840	230,294	71,644
Medicare Part D - premiums	\$23,389	\$19,924	\$43,313	\$24,964	\$21,266	\$46,230	\$26,698	\$22,743	\$49,441	\$28,607
Third Party Recovery	(\$10,000)	\$0	(\$10,000)	(\$10,000)	\$0	(\$10,000)	(\$10,000)	\$0	(\$10,000)	(\$10,000)
Rebates	(\$9,213)	(\$15,823)	(\$25,036)	(\$8,850)	(\$16,592)	(\$25,442)	(\$8,513)	(\$17,431)	(\$25,944)	(\$8,234)
Rebates - HCR Flat Rate	(\$2,075)	(\$3,563)	(\$5,638)	(\$1,993)	(\$3,737)	(\$5,730)	(\$1,917)	(\$3,926)	(\$5,843)	(\$1,845)
HCR - 50% Manufacturer Discount	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HCR - Generic Discount	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Discounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Recoupments	\$2,101	\$538	\$2,639	\$4,121	\$937	\$5,058	\$6,268	\$1,386	\$7,654	\$8,528
Adjustment to match current EA										
Total(000's)	\$82,577	\$141,799	\$224,376	\$81,516	\$149,248	\$230,764	\$80,722	\$157,226	\$237,948	\$80,172
Medicare Part D - non-LIS	\$23,389	\$19,924	\$43,313	\$24,964	\$21,266	\$46,230	\$26,698	\$22,743	\$49,441	\$28,607

**Pharmaceutical Assistance Fund
2012-13 Budget**

	PACENET 2016-17	TOTAL 2016-17
Cardholders	214,912	301708.8
% Change	3.00%	
Cost Per Claim	\$23.26	
% Change	2.76%	
Scripts/person	33.0	
	0.00%	
Total Drug Cost	\$164,948	\$236,592
Administration	\$0	\$0
Current Program Cost	164,948	236,592
Medicare Part D - premiums	\$24,369	\$52,977
Third Party Recovery	\$0	(\$10,000)
Rebates	(\$18,508)	(\$26,742)
Rebates - HCR Flat Rate	(\$4,148)	(\$5,993)
HCR - 50% Manufacturer Discount	\$0	\$0
HCR - Generic Discount	\$0	\$0
Other Discounts	\$0	\$0
Total Recoupments	\$1,713	\$10,242
Adjustment to match current EA		
Total(000's)	\$166,661	\$246,834
Medicare Part D - non-LIS	\$24,369	\$52,977