

September 27, 2012

The Honorable Nikki R. Haley
Governor, State of South Carolina
1205 Pendleton Street
Columbia, SC 29201

Dear Governor Haley:

On behalf of the South Carolina Department of Health and Human Services (SCDHHS), I am pleased to submit the FY 2014 budget projections for your consideration. This request reflects funding needs and program priorities as we understand them at this time, based on our best enrollment and inflationary cost projections as well as the estimated impact of FY 2014 policy initiatives. This request identifies the need for an additional \$193,477,720 in state general funds over our FY2013 level of funding. We recognize this is the first step in the production of your Executive Budget, and that other policy and statewide needs will ultimately impact the final Medicaid budget. Therefore, we are ready to answer any questions and make modifications based on your review and priorities.

This budget continues to advance your priorities of investing in children's health, home and community based services for individuals living with disabilities and mental health and substance abuse prevention and treatment. Our overall goal is to improve outcomes and lower the growth in the average costs per person. There is sufficient money currently in the health care system — we need to do the hard work to shift it from non-productive to productive uses by relying on a three-pronged strategy of payment reform, clinical integration, and targeting hotspots and disparities.

The size of the Medicaid budget demands continued scrutiny. The attached projections possibly require more than the State's entire newly available General Funds for FY2014. While we believe that we have managed to reduce inflation in the current program below national inflation rates, we are extremely concerned with the budget uncertainty and volatility that exists as a result of the Affordable Care Act. Even without accepting the Medicaid expansion, we believe the mechanics of the federal law — including the outreach activities of the federal health insurance exchange and loss of employer based insurance — will result in \$69 million of additional state general fund needs in FY2014. This sum reflects a best estimate growth in enrollment of 126,161 currently eligible but not enrolled individuals which is expressed in the following percentages:

- Currently Eligible Parents not enrolled represented at 70 percent of the total possible
- Crowd-out Parents not enrolled represented at 75 percent of the total possible
- Crowd-out Children not enrolled represented at 65 percent of the total possible
- Crowd-out Childless Adults not enrolled represented at 50 percent of the total possible

Growth beyond the percentages above is possible and would further increase general fund needs.

I share your concerns that out of control growth in Medicaid and health services in general is crowding out public and private investment in areas such as education and employment that ultimately produce much more health and well being than health services. Our concern is shared by the Institute of Medicine and many other public health organizations. We look forward to working with your office to produce a final budget that ultimately purchases the most health for our citizens in need at the least cost to the taxpayers.

Respectfully,



Anthony E. Keck
Director

**SOUTH CAROLINA DEPARTMENT OF HEALTH & HUMAN SERVICES
Annual Budget Request
Fiscal Year (FY) 2014**

INTRODUCTION

South Carolina's Medicaid program has made great progress in pursuit of its mission of "purchasing the most health for those in need at the least cost to taxpayers." This mission can only be accomplished by reducing excess spending and per member cost so the State can invest in areas that truly deliver better health for South Carolinians. To deliver the necessary services at the projected FY2014 levels, our budget request identifies an additional \$193,477,720 need in state general funds.

The FY 2014 budget proposal continues to build on the research-supported *Social Determinants of Health* model which indicates that 80 to 90 percent of health and well-being is not the result of health services but income, education, personal choices, genetics and environment. It also incorporates the assessment of the Institute of Medicine in its 2010 report, "The Healthcare Imperative: Lowering Costs and Improving Outcomes," which finds that upwards of 30 percent of all health care expenditures in the United States are actually excess costs that contribute nothing to health outcomes.

Even as revenues in South Carolina may begin to recover, the country's financial situation demands proactive, conservative budgeting at the State level. Overall, the FY 2014 budget annualizes the cost saving initiatives implemented in FY 2012, continues our strategy of increasing enrollment in care coordination while increasing accountability for outcomes, and provides more opportunities for seniors and individuals living with disabilities to receive services in the home and community. We also continue to invest in mental health and substance abuse services. This budget also reflects the State's implementation of mandatory provisions of the Affordable Care Act (ACA) in FY 2014. This budget does not include implementation of the optional expansion under ACA.

The Department continues to implement significant changes to shift Medicaid funds to more productive uses where they can best provide high quality services to more beneficiaries. These changes include:

- Payment Reform
- Clinical Integration
- Targeting Hot Spots and Disparities

These initiatives are underway at various stages and should have positive effects on outcomes and cost management in FY 2014 and beyond. These efforts will be detailed in the agency's year-end report to the public.

Summary of SCDHHS Enrollment Trends (Without Mandatory and Optional ACA Impacts)							
	FY 2011	FY 2012	% Chg	FY 2013	% Chg	FY 2014	% Chg
Historical Monthly Average							
Monthly Average Enrollees	854,605	905,002	5.9%	1,000,248	10.5%	1,050,793	5.1%
Snapshot of Enrollment							
June 30 - Fee for Service Enrollment	251,220	190,339	(24.2%)	162,943	(14.4%)	162,728	(0.1%)
June 30 - Care Coordination Enrollment	559,503	636,460	13.8%	770,858	21.1%	794,436	3.1%
Managed Care Organizations	423,391	460,301	8.7%	491,149	6.7%	503,447	2.5%
Medical Home Networks	136,112	176,159	29.4%	199,950	13.5%	211,230	5.6%
Express Lane Children	0	0	N/A	79,759	N/A	79,759	0.0%
June 30 - Other Enrollment	66,364	95,298	43.6%	100,503	5.5%	106,000	5.5%
June 30 - Total Enrollment	877,087	922,097	5.1%	1,034,304	12.2%	1,063,164	2.8%
CUMMULATIVE MEMBER MONTHS	10,207,075	10,860,027	6.4%	12,002,977	10.5%	12,609,518	5.1%

Other Enrollment includes Family Planning and Limited Benefits (Partials)

Care Coordinated includes Express Lane and assumes 100% participation for budgeting purposes

FY 2014 Numbers do not reflect addition of 126,161 member and 756,966 additional cumulative member months for mandatory ACA components

FY 2014 Budget Projections based on August 2, 2012 Enrollment Projections - Spring Forecast

FY 2014 Managed Care Organizations and Medical Home Networks will be combined into a hybrid model of service delivery, represented above separately for consistency

Source: Milliman South Carolina Department of Health and Human Services Spring 2012 Medicaid Assistance Forecast

Mandated costs for doing business

All Funds \$ 231,605,883

State Match \$ 126,127,341

The budget reflects an adjustment to our base budget to meet the growing needs of the State's estimated 1,063,164 Medicaid enrollees. Only the major cost increases relate to growing population needs, inflationary cost adjustments and federal mandated programs are detailed below. The Department also anticipates other minor increase and decreases which total (\$37,050,310) in all funds and \$598,174 in state funds.

- **Projected enrollment growth for new enrollees**

Total Funds: \$186,953,772

State General Funds: \$64,010,409

The FY 2014 budget reflects an enrollment growth of 2.8 percent in new enrollees within the South Carolina's care coordination and fee for service programs.

- **Money Follows the Person**

Total Funds: \$4,545,581

State General Funds: \$737,001

The Money Follows the Person (Home Again) is a SCDHHS program that will transition participants from certain qualified institutions to the community as well as rebalancing the long term care system toward a model that is community, rather than institutionally based. Part of this rebalancing is to address the identified gaps in Home and Community Based Care Services (HCBCs). The targeted populations for the grant include older adults and people with physical disabilities residing in Skilled Nursing Facilities, people with intellectual and developmental disabilities, and children ages 4-19 residing in Psychiatric Residential Treatment Facilities (PRTFs).

- **Electronic Health Records**

Total Funds: \$77,156,840

State General Funds: \$0

The FY 2014 budget includes federal grant funds for the Electronic Health Records (EHR). It is designed to provide incentive payments to Medicaid providers who use Electronic Health Records. Eligible Hospitals and Eligible Professionals (physicians, nurse practitioner, physician assistant, dentist, and certified nurse midwife) are eligible for these incentive payments so the following Medicaid Assistance budgets will be increased as a result: Hospitals, Physicians, Medical Professionals, Dental and Clinics. The funding for this program is 100% federal.

- **Permanent Replacement of Loss Revenue**

Total Funds: \$205,066,656

State General Funds: \$60,781,757

The base appropriation request reflects an adjustment due to estimated lost revenues in the cigarette tax (\$52,299,845) and the Health Care Tobacco Settlement Trust Fund (\$8,481,912). This estimate was obtained from the Budget and Control Board. The Federal spending authority associated with these funds is currently included in SCDHHS' SFY13 operating budget and therefore, is not included in this request.

2. Appropriation of FY 2013 Non-recurring funds

- \$7,157,264 is non-recurring other earmarked monies from the State's Capital Reserve Fund and Proviso 90.20.

3. State Agency & Other State Agencies

All Funds \$ 923,663,237

State Match \$ 225,086

(State Agency Match in "Other" on page 3 chart)

The State Agency requested amounts are based on funding submissions received by SCDHHS from the various State Agencies. Includes \$29,131,256 for rate increases as detailed below:

STATE AGENCIES AND OTHER ENTITIES CHANGES IN RATES AND ENROLLMENT		
AGENCY	DESCRIPTION	TOTAL REQUEST
Disabilities & Special Needs (DDSN)	Assumed a 2% growth of eligible persons. Assumed the PDD waiver rate for line therapy would increase by about \$2 per hour. Projection for FY 2013 was based on the 2011 preliminary cost report data. Used the premise as in 2013 for FY 2014, while taking into consideration for consumers who are leaving the regional centers and moving into the community.	\$ 1,984,920
Health & Environmental Control (DHEC)	Cost drivers are number of patients treated. The number of patients treated is directly related to staffing levels.	\$ 3,034,011
Behavioral Health	Maintenance of Effort: appropriation being transferred to DHS Behavioral Health in FY2014; includes approximately \$4.2 million in prior year cost settlements; match moving forward will be DHS funds versus DAODAS CPE funds	\$ 2,650,730
Continuum of Care	Maintenance of Effort: increase due to \$11 million estimate cost settlements ('11 and '12). Enrollment based on Millman estimates.	\$ 13,844,118
School for the Deaf and Blind	Reduction is represented in 30% rate cut in Behavioral Specialists, as there is a restructure in Behavioral Health Services.	\$ (775,585)
Social Services (DSS)	Millman Summer Forecast and enrollment includes children except infant in FFS and MHN; monthly UDR/enrollment based on average utilization for the same month in previous two years and monthly cost per recipient based on average annual cost per recipient for the same period; known cost settlement amounts for FY2011 of \$4,885,964 for which payment is anticipated in FY2014	\$ 3,797,954
Juvenile Justice (DJJ)	Millman Summer Forecast and enrollment includes maternal and child health and DJJ Mental Health Rehab/DJJ Mental Health Private/Other Services; monthly UDR/enrollment based on average utilization for the same month in two previous years and cost per recipient based on average annual cost per recipient for same time period; cost settlement assumptions include no anticipated payments (report dated 5/23/12) but DJJ is behind in submitted cost settlement - assumes they could reach an agreement for FY2010 and FY2011 equal to payment amounts for FY2008 and FY2009 (\$3,288,479)	\$ 2,208,337
Corrections (DOC)	Millman Summer Forecast and enrollment (predicts decline in adult population) includes all adults in FFS and MHN; monthly UDR/enrollment based on average utilization for the same month in previous two years and monthly cost per recipient based on average cost per recipient for same period.	\$ 1,682,121
Wil Lou Gray	Going from two open dorms to four open dorms from July 2011 to July 2012; enrollment increased from 80 to 160 students per cycle; assumes that percentage of Medicaid eligible clients remains constant resulting in comparable growth	\$ 4,650
SC First Steps of School Readiness	FY2013 reflects annual billing rate of \$700,000 covering services for FY2012 and those pending from FY2012 (estimate); logistical delays in executing TCM contract so they have not yet submitted billing for FY12 services	\$ 700,000
TOTAL REQUESTED		\$ 29,131,256

4. New Appropriation Requests

All Funds \$ 339,914,003

State Match \$ 67,350,379

Affordable Care Act

Total Funds: \$321,048,000

State General Funds: \$69,721,579

This FY 2014 proposed budget request was built on the premise that the State does not expand Medicaid to the optional populations described in the Affordable Care Act (ACA), as allowed by the Supreme Court's June decision. The Department has worked since last year to better understand the new spending implications based on the mandatory provisions of the Act.

The chart below allocates the ACA impacts by population type and provides greater monetary detail for each of those populations.

AFFORDABLE CARE ACT BUDGET IMPACTS

	GENERAL	EAR MARKED	FEDERAL	TOTAL
MANDATORY ACA IMPACTS				
Physician Fee Schedule:				
Currently Enrolled -FS/MHN (non-dual)				
Physician Services (FFS)	\$ 533,520		\$ 12,266,480	\$ 12,800,000
Currently Enrolled -MCOs (non-dual)				
Care Coordination (Payment of E/M Codes)	\$ 1,541,280		\$ 35,058,720	\$ 36,600,000
Currently Eligible Crowd-Out Population				
Care Coordination (Currently crowd-out populations (MCO))	\$ 266,760		\$ 6,133,240	\$ 6,400,000
Eligible but Unenrolled				
Children	-		\$ -	\$ -
Care Coordination (Adults)	\$ 88,920		\$ 1,811,080	\$ 1,900,000
SSI				
Care Coordination (SSI Federal Funds)	\$ 29,640		\$ 470,360	\$ 500,000
Dual Eligibles				
Physician Services (FFS)			\$ 12,000,000	\$ 12,000,000
<i>100% Federally Funded</i>				\$ -
TOTAL PHYSICIAN FEE SCHEDULE INCREASE	\$ 2,460,120	\$ -	\$ 67,739,880	\$ 70,200,000
Increased Costs Without Expansion:				
Crowd-out Population Currently Eligible Children/Parents				
Care Coordination (Children/Parents) 78,733 enrollees	\$29,640,000		\$ 70,360,000	\$100,000,000
<i>29.64% State Funded and 70.36% Federally Funded</i>				\$ -
Eligible but Unenrolled Children/Parents				
Children	\$ -		\$ -	\$ -
Care Coordination (Adults) 40,102 enrollees	\$27,535,560		\$ 65,364,440	\$ 92,900,000
<i>29.64% State Funded and 70.36% Federally Funded</i>				\$ -
SSI Eligible (State and Federal)				
Care Coordination (SSI Federal Funds) 7,326 enrollees	\$ -		\$ 23,000,000	\$ 23,000,000
<i>100% Federally Funded</i>				\$ -
Health Insurer Assessment Fee (State and Federal)				
Care Coordination (Health Insurer Assessment Fee)	\$ 7,498,920		\$ 17,801,080	\$ 25,300,000
<i>29.64% State Funded and 70.36% Federally Funded</i>				\$ -
TOTAL INCREASE COSTS WITHOUT EXPANSION	\$ 64,674,480	\$ -	\$ 176,525,520	\$ 241,200,000
Administrative Costs Without Expansion:				
Administrative Cost - 4% of Increased Costs without Expansion				
	\$ 2,586,979		\$ 7,061,021	\$ 9,648,000
<i>29.64% State Funded and 70.36% Federally Funded</i>				\$ -
TOTAL ADMINISTRATIVE COSTS	\$ 2,586,979		\$ 7,061,021	\$ 9,648,000
TOTAL MANDATORY ACA IMPACTS	\$ 69,721,579	\$ -	\$ 251,326,421	\$ 321,048,000

Dual Eligible Demonstration Project

Total Funds: \$16,277,137

State General Funds: (\$2,371,200)

The South Carolina Department of Health and Human Services is one of 15 states with an 18-month planning grant from the Centers for Medicare and Medicaid Services to develop a service delivery model that integrates care for individuals who receive services from both Medicare and Medicaid. The South Carolina Dual Eligible (SCDuE) Demonstration Project provides the opportunity to address the weaknesses in the current system by realigning incentives to allow Medicare and Medicaid services to work in a single system. In addition, through shared savings, the State will be able to focus on preventative services and on delaying or eliminating the need for more costly institutional long-term care, and avoidable emergency Department visits and hospital stays. Funding for this project is in Ear Marked funds and will result in a decreased need for state general funds.

Nursing Facilities

Total Funds: \$2,500,000

State General Funds: \$0

The Department has been directed by the Centers for Medicare and Medicaid Services to release Civil Monetary Penalties funds collected to eligible facilities through a grant process.

5. Non Recurring Capital Request

All Funds	\$	18,000,000
State Match	\$	1,800,000

SCDHHS has received approval from the Centers for Medicare and Medicaid Services (CMS) for enhanced federal matching funds to support a mandated technology project to modernize and improve its Medicaid information technology system.

Replacement of Medicaid Management Information System (MMIS) – Working with CMS, SCDHHS recently withdrew its MMIS replacement RFP in order to better define the needs of a managed-care focused system. The Department will continue its efforts to replace MMIS, its aging mainframe claims adjudication and payment system, with a more flexible and powerful modern system, will address CMS' Seven Standards and Conditions for modern Medicaid systems. Non-compliance with MITA and the Seven Standards could result in loss of federal matching funds. This project will replace the MMIS system, consolidate SCDHHS vendor contracts and ultimately reduce the Department's total operating costs.

6. Selfed-Fund Initiatives

The Department continues to invest in strategies to reduce cost and improve outcomes. Several of these key strategies outlined below will be funded through savings obtained by SCDHHS through improved operations and better management of medical costs.

Community Care Access

The FY 2014 budget reflects the realignment of the CLTC line for the creation of Children's Community Care currently funded by the Medically Complex Children waiver and Children's Private Duty Nursing services. The appropriation request includes funds for three program initiatives. These initiatives will broaden community access to health care programs to allow the State to maintain the full continuum of long term care services while controlling costs and reducing waiting lists. The initiative also includes the expansion of the waivers listed below with no reduction to nursing facility permit days as well as a market driven inflationary rate increase for various waiver services for private duty nursing services.

- a. Expansion of Community Choice Waiver by 500 slots to address the 1,908 applicants on the waiting list.
- b. Expansion of the Children's Community Care, consisting of the Medically Complex Children and Children's Private Duty Nursing, by adding 104 slots to each to address the applicants on waiting lists.

- c. The Community Care Access Initiative also includes the addition of 20 slots for each of the two Programs for the All-Inclusive Care (PACE) organizations and a rate adjustment for the dual eligible rate schedules. PACE rates are well below industry rates and have not increased since 2008.

Targeted Case Management

Medicaid Targeted Case Management (TCM) is an optional Medicaid service pursuant to federal regulations. The target populations includes individuals with intellectual and related disabilities, at-risk children, adults with serious and persistent mental illness, at-risk pregnant women and infants, individuals with psychoactive substance disorder, individuals at risk for genetic disorders, individuals with head and spinal cord injuries, individuals with sensory impairments, and adults with functional impairments. In order to better manage the health outcomes and medical costs of individuals on CLTC waiting lists, as well as individuals receiving IPC services in CRCFs, the Department is expanding TCM to an additional 1,430 new participants in FY2014 and will continue to add additional slots as needed in future years. TCM will assist these beneficiaries in receiving needed medical, behavioral, educational, social, and other services.

After Hours Reimbursement

SCDHHS is actively working to make access to routine primary and urgent care to its beneficiaries with the goal of reducing emergency room use and improving compliance with prevention and screening recommendations. In addition to recently allowing for the enrollment of Convenient Care Clinic providers, the Department plans to enhance the office visit reimbursement for providers who extend office hours to evenings, weekends, and holidays.

Health Improvement Initiatives – Obesity/Hypertension/Diabetes and Community Health Workers

Obesity/Hypertension/Diabetes - SCDHHS is developing an initiative to reduce obesity as well as morbidity and mortality associated with cardiovascular diseases and Type II diabetes. The plans for the initiative include nutritional education and instruction, the Providers of Prevention/Rehabilitative Services for Primary Care Enhancement (PRSPCE) program, and non-traditional (i.e., non-medical) services designed to bring about desired outcomes for clients. Reductions in Medicaid claims costs could also result from these improved health outcomes.

Community Health Workers (CHW) help improve health care access and outcomes, strengthen health care teams, and enhance quality of life for Medicaid beneficiaries. As a result, there have been improved health care utilization patterns, decreases in hospitalizations and emergency room visits, and improved Medicaid beneficiary chronic disease management skills, and engagement with primary health care. Through its Health Access at the Right Time (HeART) effort, the Department has worked with providers, health plans and our technical colleges to develop a curriculum for CHW training and certification as well as a mechanism to reimburse providers for the use of these workers.

Substance Abuse Prevention and Treatment Capacity Building

Substance abuse is directly related to significantly increased medical care costs in our population. Working with DAODAS, SCDHHS has identified one-time funds resulting from drug-company settlements that may be used to expand infrastructure and training to deliver more services to populations in need. In addition, these funds will be used to expand the Department pharmacy lock-in program, implement aggressive action against “pill-mills” and develop programs to reduce the excessive use of psychotropic drugs in children.

Summary of FY 2014 Budget Appropriation

Spending By Major Medicaid Assistance and Program

Budget by Major Program and Spending Purpose	General Fund	Earmarked Funds	Restricted Funds	Federal Funds	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Appropriation	FY 2013 Appropriation Realignment	FY 2014 Proposed
SCDHHS Medicaid Assistance									
Coordinated Care	\$ 526,011,214	\$ 22,600,000	\$ 100,274,258	\$ 1,569,744,720	\$ 1,579,404,788	\$ 1,351,329,558	\$ 1,710,451,398	\$ 1,699,380,435	\$ 2,218,630,192
Hospital Services	167,170,711	7,995,000	46,202,181	492,420,948	915,838,648	725,667,536	771,900,000	782,369,445	713,788,840
Disproportionate Share	18,628,621	15,508,716	121,279,884	324,711,400	495,037,864	461,156,329	480,126,621	480,126,621	480,126,621
Nursing Facilities	118,565,386	10,500,000	31,370,934	374,977,122	536,174,630	522,788,876	514,901,045	530,920,204	535,413,442
Pharmaceutical Services	28,955,933	20,000,000	11,761,005	146,787,865	238,505,365	190,191,168	224,499,959	199,077,924	207,504,803
Physician Services	45,084,624	-	11,265,805	158,695,484	206,445,012	174,575,732	183,047,463	190,820,553	215,045,913
Community Long-term Care (CLTC)	41,100,870	-	10,349,684	123,475,499	159,839,384	156,482,571	159,523,880	175,217,064	174,926,053
Children's Community Care**	5,055,042	-	-	11,947,674	-	-	12,864,627	-	17,002,716
Dental Service	24,628,457	-	6,239,522	77,850,671	106,652,971	102,246,514	97,915,517	105,812,546	108,718,650
Clinical Services	16,509,849	18,000	4,159,681	49,717,427	64,903,600	63,693,873	68,265,459	70,592,514	70,404,957
Transportation Services	16,881,377	-	4,209,201	50,194,878	62,892,055	66,333,009	49,668,076	71,355,819	71,285,456
Medical Professional Services	8,301,068	100,000	2,277,921	25,817,988	46,621,874	36,536,675	47,691,730	38,355,742	36,496,977
Durable Medical Equipment	7,808,622	-	2,104,600	23,715,582	43,242,081	31,686,098	41,400,000	35,730,118	33,628,804
Lab & X-Ray Services	6,456,963	-	1,634,160	19,411,775	33,458,646	26,029,246	28,631,876	27,536,575	27,502,898
Lab Services	-	-	-	-	-	-	-	-	-
X Ray Services	-	-	-	-	-	-	-	-	-
Family Planning	5,476,546	100,000	1,337,040	16,691,029	22,805,869	21,916,838	23,703,720	22,724,672	23,604,615
Hospice	2,991,345	-	742,800	8,868,868	12,098,558	11,787,268	12,490,000	12,490,007	12,603,013
Program of All-Inclusive Care (PACE)	3,788,506	-	792,320	8,056,826	11,865,663	11,882,552	13,809,328	13,592,333	12,637,652
EPSDT	3,262,210	-	-	7,959,769	9,630,272	9,016,058	10,864,132	11,034,357	11,221,979
Home Health Services	1,734,900	-	420,920	5,123,724	8,123,846	6,042,770	6,670,524	7,104,152	7,279,544
Integrated Personal Care (IPC) *****	-	-	-	-	5,496,142	5,032,851	22,903,080	4,002,768	-
Behavioral Health Services***	8,055,058	-	-	19,298,042	-	-	-	10,485,596	27,353,100
Optional State Supplement (OSS)	20,301,073	-	1,287,520	-	16,684,680	16,537,089	-	17,585,826	21,588,593
Targeted Case Management *****	-	-	-	-	-	-	-	-	-
Children's Health Insurance Program	-	-	-	-	6,478,137	-	-	-	-
GAPS Assistance Program	-	-	-	-	106,372	-	-	-	-
Premiums Matched	43,312,172	-	10,225,884	138,261,944	172,352,048	171,699,241	198,100,000	173,093,164	191,800,000
MMA Phased Down Contributions	80,122,176	1,577,824	-	-	45,963,094	75,055,510	82,300,000	82,300,000	81,700,000
Premiums 100% State	16,835,320	-	1,064,680	-	15,851,708	15,198,422	18,100,000	18,100,000	17,900,000
Total SCDHHS Medicaid Assistance	\$ 1,217,038,042	\$ 78,399,640	\$ 369,000,000	\$ 3,663,729,236	\$ 4,816,473,626	\$ 4,262,885,804	\$ 4,779,810,436	\$ 4,779,810,436	\$ 5,318,166,819
SCDHHS Other Health Programs									
Alcohol and Other Drug Abuse Services ****	\$ -	\$ -	\$ -	\$ -	\$ 10,738,395	\$ 13,966,422	\$ 13,249,431	\$ 14,997,126	\$ -
Commission for the Blind	-	-	-	-	-	-	39,805	39,805	-
Continuum of Care	-	5,944,974	-	14,489,201	6,464,540	7,231,266	6,590,057	13,565,565	20,434,175
Corrections (DOC)	-	1,187,433	-	2,828,636	3,014,475	4,634,472	2,333,948	4,776,490	4,016,069
Disabilities & Special Needs (DDSN)	-	166,626,776	-	395,894,552	522,040,569	518,275,055	560,536,408	557,641,866	562,521,328
Education (DOE)	-	14,568,875	-	35,864,850	47,655,816	49,690,993	50,433,725	50,433,725	50,433,725
Health & Environmental Control (DHEC)	-	5,035,355	-	12,156,920	13,539,568	13,909,156	14,158,264	18,800,243	17,192,275
SC First Steps to School Readiness	-	206,859	-	493,141	-	-	-	517,797	700,000
John De La Howe School	-	-	-	-	77,745	-	-	-	-
Juvenile Justice (DJJ)	-	1,636,722	-	3,921,635	2,528,567	6,551,906	3,350,020	5,818,144	5,558,357
Medical University of SC (MUSC)	-	10,717,264	-	25,669,992	43,672,710	29,801,318	41,858,252	36,085,955	36,387,256
Mental Health (DMH)	-	45,317,018	-	109,082,982	160,125,900	125,020,916	155,000,000	155,000,000	154,400,000
State Housing Authority	-	102,258	-	242,742	1,010,232	326,870	330,000	345,000	345,000
School for Deaf & Blind	-	1,184,806	-	2,818,404	3,171,439	4,635,667	4,778,795	4,003,210	4,003,210
Social Services (DSS)	-	4,800,899	-	11,409,771	12,101,329	9,260,866	12,412,716	13,108,682	16,210,670
University of South Carolina (USC)	-	1,100,522	-	2,604,189	5,010,795	2,558,450	5,742,100	3,704,711	3,704,711
W.I. Lou Gray Opportunity School	-	10,015	-	24,635	21,051	24,644	30,000	20,968	34,650
Emotionally Disturbed Children	-	10,738,325	-	25,490,841	35,697,974	28,577,954	37,732,690	36,229,166	36,229,166
Other Entities Funding	-	2,984,775	-	8,282,784	22,992,567	19,247,621	23,960,020	17,014,063	11,267,559
MUSC Maxillofacial	225,086	-	-	-	225,086	225,086	225,086	225,086	225,086
State Agencies & Other Entities	\$ 225,086	\$ 272,162,876	\$ -	\$ 661,276,276	\$ 890,088,769	\$ 833,938,480	\$ 932,327,692	\$ 932,327,692	\$ 923,663,237
Medical Contracts									
Medical Contracts	\$ 39,608,136	\$ 19,752,323	\$ 1,612,000	\$ 96,642,358	\$ 100,221,947	\$ 103,184,760	\$ 152,028,949	\$ 152,028,949	\$ 160,115,157
Non-Recuring/Capital Program *	1,800,000	-	-	16,200,000	-	-	-	-	18,000,000
Total Medical Contracts	\$ 41,408,136	\$ 19,752,323	\$ 1,612,000	\$ 112,842,358	\$ 100,221,947	\$ 103,184,760	\$ 152,028,949	\$ 152,028,949	\$ 178,115,157
SCDHHS Operating Expenditures									
Personnel & Benefits	\$ 22,030,716	\$ 5,584,694	\$ -	\$ 37,158,788	\$ 56,268,103	\$ 54,535,735	\$ 63,511,002	\$ 63,511,002	\$ 64,645,320
Other Operating Costs	7,469,228	1,413,405	-	19,664,002	19,144,275	18,846,048	19,275,106	19,275,106	18,898,635
Total SCDHHS Operating Expenditures	\$ 29,499,944	\$ 6,998,099	\$ -	\$ 56,822,790	\$ 75,412,378	\$ 73,381,783	\$ 82,786,108	\$ 82,786,108	\$ 83,543,955
Total Budget - Annual Budget Appropriation	\$ 1,288,171,208	\$ 377,312,838	\$ 370,612,000	\$ 4,474,669,669	\$ 6,882,196,609	\$ 6,263,390,827	\$ 6,946,963,084	\$ 6,946,963,084	\$ 6,610,766,706

* FY 2013 budget amounts includes \$7,157,264 in Non-Recuring/Capital Program. As a result of Proviso 90.20 (\$3,918,676) and Capital Reserve Funds (\$3,238,588)

** New service line created from the following services. Children's Private Duty Nursing & Medically Complex Children

*** New service line created from various service lines and state agencies.

**** DAODAS is transferring state appropriations to DHHS and DHHS will be funding Behavioral Health Services.

***** New service line created to better monitor the TCM services now that they are open to private providers

***** IPC merged into OSS Service line. Per CMS, IPC program is no longer active.

SCDHHS BUDGET REQUEST CHANGE SUMMARY

	General	Ear Mark	Restricted	Federal	Total
Existing Operating Budget	\$1,094,693,488	\$332,055,575	\$448,856,157	\$4,063,640,600	\$5,939,245,820
Budget Adjustments	(\$36,217,072)	\$-	\$-	\$25,731,476	(\$10,485,596)
Maintenance of Effort	\$82,591,172	\$4,028,991		\$154,840,565	\$241,460,728
Technical Adjustments	\$79,753,241	\$14,309,171	(\$78,244,157)	(\$15,187,505)	\$630,751
Affordable Care Act	\$69,721,579	-	-	\$251,326,421	\$321,048,000
New Requests	(\$2,371,200)	26,919,101	-	(\$5,681,898)	\$18,866,003
Subtotal Changes	\$193,477,720	\$45,257,263	(\$78,244,157)	\$411,029,059	\$571,519,886
Total Request	\$1,288,171,208	\$377,312,838	\$370,612,000	\$4,474,669,659	\$6,510,765,706

Budget Adjustments realign budget to actual spending patterns

Maintenance of Effort aligns current year funding to future year need for existing projects due to projected growth and previously planned rate increases

Technical Adjustments align current year spending to future year available funding sources

Affordable Care Act changes mandated by ACA, does not include optional expansion