

Budget Bill Restructure

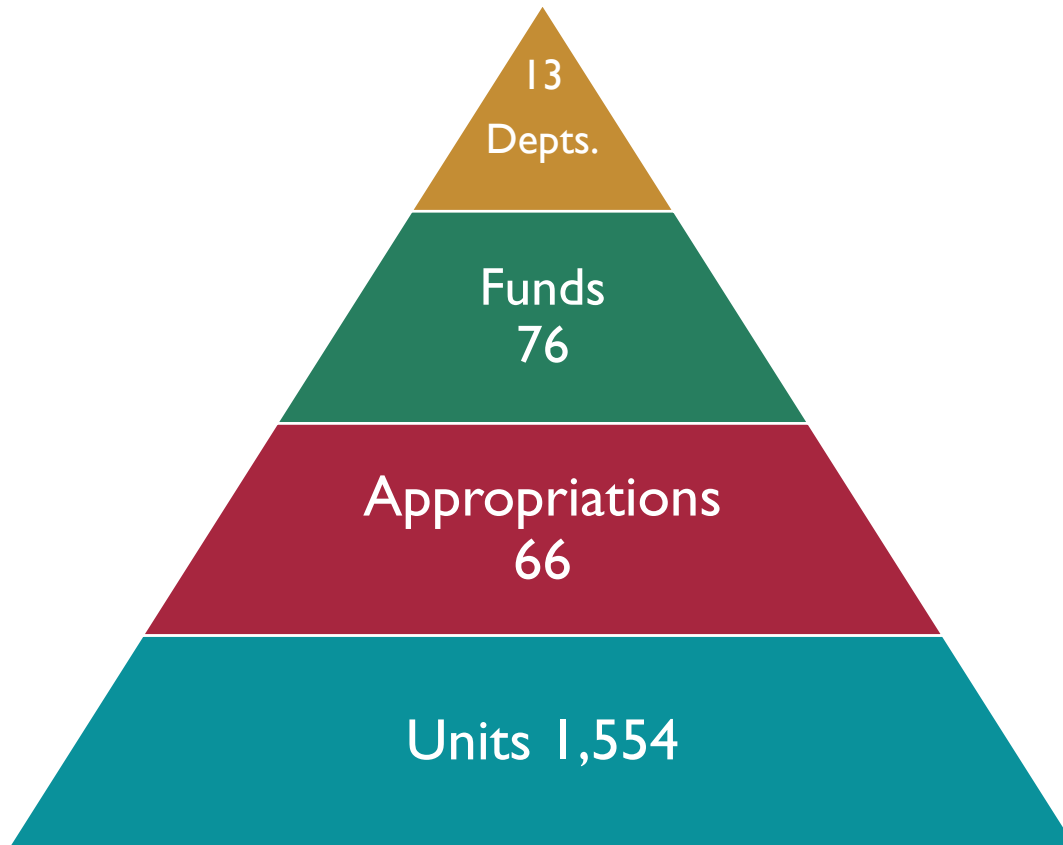
November 9, 2023



Budget Restructure

- Restructuring the HHS budget to conform to our new organizational structure has three separate but interconnected pieces:
 - Mapping units (cost centers).
 - Updating the structure of appropriations to conform to the new organizational structure.
 - Reviewing and updating the language in the HHS appropriations bill.

Mapping Units (Cost Centers)



Map All Units to New Vertical

Administration	Compliance
Strategic Operations	Aging and Disability Services
Family Well-Being and Protection	Community Access
Public Health	Behavioral Health
State Operated Facilities	Medicaid





Restructuring Appropriations and Language

- The base of the Health and Human Services Appropriations Bill has remained largely unchanged over the past several decades. Over time, additional language has been added for various purposes. As a result, the Bill is unnecessarily long and complicated.
- The Bill restructure will not only look at aligning appropriations to the new structure, but also streamline language, remove administrative burdens, and provide more transparency.
- The Department will also recommend a nominal but sufficient amount of flexibility to allow for the management of our large and complex budget while providing transparency to stakeholders.

Example 1 – Appropriations Alignment

- There are four appropriations for administration, one for each of the legacy agencies:

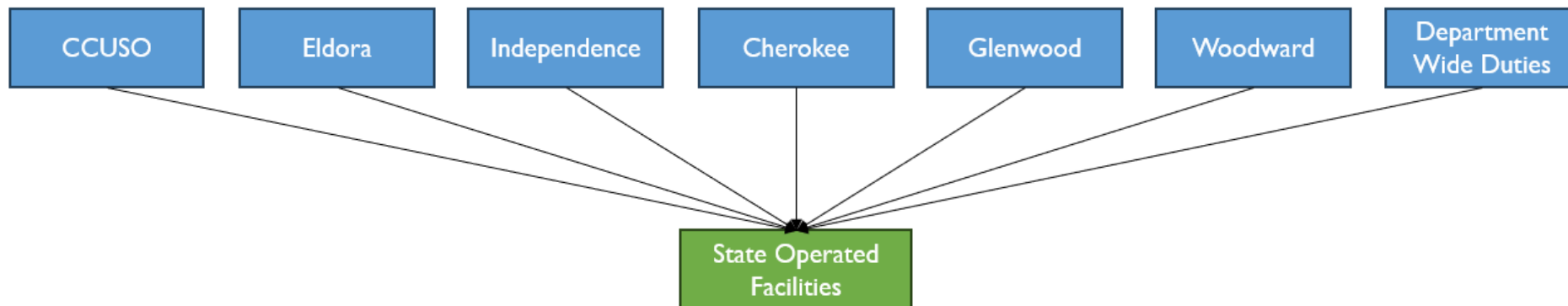


- To break down the silos of the legacy agencies, we will need to align these appropriations to our new structure which will allow us to manage the agency budgets more effectively while providing greater visibility on use of these funds.



Example 2 – Align Appropriations to Current Operations

- There are seven separate appropriations that support the facilities operated by HHS. The Department has transfer authority between each of the seven facilities and manages the facility budget as one.
- To align with the way the budget has been managed over the past several years, the Department will recommend combining the seven facility appropriations into a single line item.



Example 3 – Code Language Cleanup

- There are a number of places where language has either been not withstood or there is language specifying it meets a certain code requirement such as the paragraph below which is in the Bill annually stating the appropriation for Addictive Disorders meets the requirement of Section 123.17(5).

`c. The requirement of section 123.17, subsection 5, is met by the appropriations and allocations made in this division of this Act for purposes of substance use disorder treatment and addictive disorders for the fiscal year beginning July 1, 2023.`

- The Department will review language such as this and make recommendations on possibly repealing the Code section eliminating the need for the paragraph.



Example 4 – Transfers

In the most recent HHS Appropriations Bill, there are 32 places where transfer authority is granted to the Department. While some of this transfers authority is essential due to program size and budget complexity, there are a significant number of transfers between appropriations which are unnecessary under the aligned structure.



The Department will review all transfer language and where appropriate recommend moving funding to the correct appropriation, eliminating the need for a transfer, and promoting transparency.



Example 5 – Rate Cleanup



The rate section in the Bill is a patchwork of different providers which have generally been added over time as the General Assembly and Governor has increased rates for that specific provider group.



For example, there are rates in the Bill for anesthesiologists and air ambulance, but nothing for cardiologists or oncologists. In addition, most of the paragraphs simply state that the rate shall remain at the rates in effect the previous fiscal year.



The Department will review this section and make recommendations to make it more streamlined and uniform.

Timeline

#	Milestone	Target Completion Date	Completion Date	Implementation Update Description
1	Review	10/31/23		The Department will complete and compile its review of the current budget language in the appropriations bill
2	Submission	11/30/23		The Department will submit a proposed appropriations structure with updated accompanying budget language to the Department of Management (DOM). Once approved, the DOM and the Department will work with the Legislative Services Agency (LSA) on a first draft of the Bill.
3	Revision	December, January, February (on-going during Session)		The Department will work with DOM, the Governor's Office, and the Legislature on a final draft of the bill, with feedback from stakeholders where appropriate.



Questions?