SUMMARY
This report summarizes intent language passed by the Legislature during its 2010 General Session with respect to the Department of Human Services and provides an agency response regarding the status of each piece of passed intent language. No Legislative action is required from this brief, but the information may be useful in developing intent language for the 2011 General Session.

EXECUTIVE DIRECTOR’S OFFICE:

House Bill 2, Item 73 (for FY 2010):
The Legislature intends the Department of Human Services eliminate the use of its general services internal service fund and transfer the associated assets to the Department of Human Services Executive Director Operations line item in accordance with applicable federal regulations. The Legislature further intends that the portion of the cash balance owed to the federal government be paid from the cash transferred to the department.

Agency Response:
The Department eliminated the use of the general services internal service fund. The cash balance transferred to the Executive Director Operations line item for fiscal year 2010 was $8,868.04.

All General Funds appropriated to the Executive Director Operations line item are contingent upon expenditures from Federal Funds - American Recovery and Reinvestment Act (H.R. 1, 111th United States Congress) not exceeding amounts appropriated from Federal Funds - American Recovery and Reinvestment Act in all appropriation bills passed for FY 2010. If expenditures in the Executive Director Operations line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to the Executive Director Operations line item from Federal Funds - American Recovery and Reinvestment Act in FY 2010, the Division of Finance shall reduce the General Fund allocations to the Executive Director Operations line item by one dollar for every one dollar in Federal Funds - American Recovery and Reinvestment Act expenditures that exceed Federal Funds - American Recovery and Reinvestment Act appropriations.

Agency Response:
The Executive Director Operations line item expenditures from Federal Funds - ARRA did not exceed amounts appropriated for fiscal year 2010.

House Bill 2, Item 212 (for FY 2011):
The Legislature intends the department review all oversight and audit functions for streamlining and consolidation in an effort to maximize the effectiveness of the audit process and minimize disruption to the provision of services. The Legislature further intends the study of the effectiveness of streamlining and consolidation of audit efforts by the Department of Human Services on counties and private providers be placed on the Master Study Resolution.

Agency Response:
The Department of Human Services reported to the Health and Human Services Appropriations Subcommittee on November 18, 2010.
The Legislature intends the Division of Facilities and Construction Management review office space management for the Department of Human Services in conjunction with the office space availability and needs of all state agencies and report back to the Office of the Legislative Fiscal Analyst on or before January 1, 2011 concerning optimal facility utilization.

Agency Response:
The Division of Facilities and Construction Management reported to the HHS Appropriations Subcommittee on November 18, 2010.

**Substance Abuse and Mental Health:**

**House Bill 2, Item 74 (for FY 2010):**
Under Section 63J-1-603 of the Utah Code, the Legislature intends that up to $500,000 of appropriations provided for the Division of Substance Abuse and Mental Health line item for the Drug Courts and Drug Boards programs in Item 105 of Chapter 396 Laws of Utah 2009 not lapse at the close of Fiscal Year 2010. The use of any nonlapsing funds is limited to "Other Charges/Pass Through" expenditures.

Agency Response:
The Division of Substance Abuse and Mental Health had $61,600 remaining appropriations for Drug Courts and Boards at the end of FY 2010. These funds have been budgeted as “Other Charges/Pass Through” expenditures in FY 2011.

Under Section 63J-1-603 of the Utah Code, the Legislature intends that up to $500,000 of appropriations provided for the Division of Substance Abuse and Mental Health line item for State Substance Abuse Services and Local Substance Abuse Services in Item 105 of Chapter 396 Laws of Utah 2009 not lapse at the close of Fiscal Year 2010. The use of any nonlapsing funds is limited to "Other Charges/Pass Through" expenditures.

Agency Response:
The Division of Substance Abuse and Mental Health had $49,800 remaining appropriations for State Substance Abuse Services at the end of FY 2010. These funds have been budgeted as "Other Charges/Pass Through" expenditures in FY 2011.

Under Section 63J-1-603 of the Utah Code, the Legislature intends that up to $50,000 of appropriations provided for the Division of Substance Abuse and Mental Health line item in Item 105 of Chapter 396 Laws of Utah 2009 not lapse at the close of Fiscal Year 2010. The use of any nonlapsing funds is limited to computer equipment and software.

Agency Response:
The Division of Substance Abuse and Mental Health has budgeted $3,300 for the purchase of computer equipment and software in FY 2011 from appropriations not lapsed at the end of FY 2010.

**House Bill 2, Item 213 (for FY 2011):**
The Legislature intends the Division of Substance Abuse and Mental Health and the Division of Aging and Adult Services forego site visits of county mental health, substance abuse, and aging programs during FY 2011 and conduct statutorily required monitoring through reports submitted by electronic or other means and report back to the Office of the Legislative Fiscal Analyst on or before January 1, 2011 concerning the outcome of this monitoring technique.
Agency Response:
The Division of Substance Abuse and Mental Health is conducting required monitoring during FY 2011 through a combination of video conferencing, telephone calls, and information shared via reports and documents. The Division reported the outcome of this monitoring technique to the Office of the Legislative Fiscal Analyst on November 18, 2010.

All General Funds appropriated to the Division of Substance Abuse and Mental Health line item are contingent upon expenditures from Federal Funds - American Recovery and Reinvestment Act (H.R. 1, 111th United States Congress) not exceeding amounts appropriated from Federal Funds - American Recovery and Reinvestment Act in all appropriation bills passed for FY 2011. If expenditures in the Division of Substance Abuse and Mental Health line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to the Division of Substance Abuse and Mental Health line item by one dollar for every one dollar in Federal Funds - American Recovery and Reinvestment Act expenditures that exceed Federal Funds - American Recovery and Reinvestment Act appropriations.

Agency Response:
The Division of Substance Abuse and Mental Health estimates that expenditures from Federal Funds - American Recovery and Reinvestment Act may exceed the amount appropriated for FY 2011. DSAMH will lapse the difference to the General Fund should that occur.

Services for People with Disabilities:

House Bill 2, Item 214 (for FY 2011):
The Legislature intends the Division of Services for People with Disabilities, in consultation with Medicaid officials, take the following actions as a result of the funding changes made to the division budget: 1) increase the caseload level for support coordinators and streamline the reporting and oversight functions of these case manager positions; 2) begin negotiations with federal and state Medicaid officials to revise the waivers and provide low cost, less intensive services; and 3) revise the oversight methodology used to monitor private providers' use of funds and cease auditing to 15 minute increments and shift to a methodology which is not more frequent than daily. The Legislature recognizes that less oversight is needed for well performing providers. The Legislature further intends the Division of Services for People with Disabilities change the frequency of face to face visit requirements and other requirements from support coordinator contracts and implement a corresponding cost reduction.

Agency Response:
The Division of Services for People with Disabilities took the following actions as a result of funding changes made to the division budget and intent language received from the Legislature:
1) Increased the caseload cap from 40 to 46 people per support coordinator on July 1, 2010. Streamlined reporting and oversight functions of these case managers by reducing face to face visit requirements and other direct service tasks by 16.67% (from minimum of 3 hours per month of direct services to 2.5 hours).
2) Eliminated the intensive residential habilitation rate on July 1, 2010 and began exploring long-term strategies for waiver revisions focused on low cost, less intensive services with the Department of Health.
3) Discontinued the use of the division’s former auditing method known as the “Labor Usage Report” that recorded units billed (including some services with 15 minute units) by provider staff in supervised apartments, group homes, and day treatment facilities and compared it to the
units allocated in budgets. The quarterly Labor Usage Report done in the past has now been replaced by an annual provider sample. The methodology in the former Labor Usage Report required four quarters of data. DSPD now requires just one quarter’s data in its annual provider review. This new audit method monitors daily average services instead of units of service delivered. Well performing providers will have a single sample, and providers with problems will have a second and increased sample reviewed.

FY2011 face to face visit requirements were reduced such that:
   - 1,231 people shifted from 1 visit every 30 days to 1 visit every 60 days
   - 531 people shifted from 1 visit every 30 days to 1 visit every 90 days
Other support coordinator requirements have been reduced related to assessment, review, and documentation. A corresponding support coordination rate reduction of roughly 15% was implemented July 1, 2010. Following the reduction in support coordinator requirements the monthly rate paid per person for support coordination was reduced from $234.86 to $198.98.

_The Legislature intends the Department explore options to privatize the Utah State Developmental Center in order to bring greater cost sustainability to the state. The Legislature further intends the department identify opportunities to privatize other activities and facilities and report back its findings regarding the Developmental Center and other opportunities to privatize to the Office of the Legislative Fiscal Analyst on or before November 1, 2010._

**Agency Response:**
A feasibility study on the privatization of the TLC and Woodland Units at the Utah State Developmental Center was completed by the Public Consulting Group. PCG reported their findings to the Executive Appropriations Committee in July, 2010. In addition to this study the USDC has taken the initiative to privatize services within the Center where possible. To date the following services have been privatized: Lab, X-ray, Grounds Maintenance, Residential Custodial and Non-residential Custodial. The FY 2011 projected savings from privatizing custodial services is $300,000. At present the USDC is working to get contracts in place which will allow for the privatization of the following services: Pharmacy, Speech Therapy, Physical Therapy, and Behavior Therapy/Counseling.

_The Legislature intends the Division of Services for People with Disabilities look to maximize funding going to the Disabilities Trust Fund._

**Agency Response:**
The Utah State Treasurer controls all aspects of the Disabilities Trust Fund investment activity. The only way to increase this fund other than annual interest deposits is to sell off or lease out Utah State Developmental Center property and facilities, or take donations. Donations have been requested at each public listening session across the state. To date, several hundred dollars have been donated to the Disabilities Trust Fund.

_The Legislature intends that the Division of Services for People with Disabilities (DSPD) use FY 2011 beginning nonlapsing funds to offer emergency services, services for individuals who turn 18 years old and leave state custody from the divisions of Child and Family Services and Juvenile Justice Services, and services for individuals that are court ordered into DSPD services._

**Agency Response:**
The nonlapsing funds have been used according to Legislative Intent Language to provide for emergency services, services for individuals aging out of state custody and individuals who are court ordered into DSPD services.

All General Funds appropriated to the Division of Services for People with Disabilities line item are contingent upon expenditures from Federal Funds - American Recovery and Reinvestment Act (H.R. 1, 111th United States Congress) not exceeding amounts appropriated from Federal Funds - American Recovery and Reinvestment Act in all appropriation bills passed for FY 2011. If expenditures in the Division of Services for People with Disabilities line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to the Division of Services for People with Disabilities line item by one dollar for every one dollar in Federal Funds - American Recovery and Reinvestment Act expenditures that exceed Federal Funds - American Recovery and Reinvestment Act appropriations.

Agency Response:
The Division of Services for People with Disabilities estimates that expenditures from Federal Funds - American Recovery and Reinvestment Act may exceed the amount appropriated for FY 2011. DSPD will lapse the difference to the General Fund should that occur.

Office of Recovery Services:

House Bill 2, Item 215 (for FY 2010):
All General Funds appropriated to the Office of Recovery Services line item are contingent upon expenditures from Federal Funds - American Recovery and Reinvestment Act (H.R. 1, 111th United States Congress) not exceeding amounts appropriated from Federal Funds - American Recovery and Reinvestment Act in all appropriation bills passed for FY 2011. If expenditures in the Office of Recovery Services line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to the Office of Recovery Services line item from Federal Funds - American Recovery and Reinvestment Act in FY 2011, the Division of Finance shall reduce the General Fund allocations to the Office of Recovery Services line item by one dollar for every one dollar in Federal Funds - American Recovery and Reinvestment Act expenditures that exceed Federal Funds - American Recovery and Reinvestment Act appropriations.

Agency Response:
ORS did not exceed the cap set by the Legislature for ARRA funds drawn in FY 2010. ORS will not exceed the ARRA appropriation for FY 2011.

Child and Family Services:

House Bill 2, Item 76 (for FY 2010):
Under Section 63J-1-603 of the Utah Code, the Legislature intends appropriations provided for Adoption Assistance and Out of Home Care programs within the Division of Child and Family Services line item in Item 108, Chapter 396 of the Laws of Utah 2009 not lapse at the close of Fiscal Year 2010. The use of any nonlapsing funds is limited to $5,500,000 and these nonlapsing funds are to be used only for “Other Charges/Pass Through” expenditures.

Agency Response:
The nonlapsing funds provided by the 2010 Legislature will be used to meet caseload needs in the Out of Home Care program. Nonlapsing funds will also be used in the Adoption Assistance program to fund clients who opt out of the capitated mental health system. The division manages clients according to need rather than available funding. This has allowed the division to affect efficiencies.
These efficiencies have created a savings in the past which has been carried into the next year. In recent years, one-time funds have been budgeted for these ongoing costs. Once exhausted, the funding will need to be replaced with ongoing funds to maintain service levels. The division does not anticipate that there will be any funds available at the end of FY 2011. In the event there are remaining funds, the division requests that intent language continue to allow the division the use of non-lapping funds in FY 2012.

**House Bill 2, Item 216 (for FY 2011):**
The Legislature intends the Division of Child and Family Services take the following actions as a result of the funding changes made to this line item: 1) increase caseloads by an average of 1 case per caseworker; 2) identify opportunities to increase in-field work as well as telecommuting in order to reduce facility costs on an ongoing basis, and 3) consider options and strategies to pay workers on a per case basis. The Legislature further intends the Division of Child and Family Services report back to the Office of the Legislative Fiscal Analyst on or before January 1, 2011 concerning the effects of this change on division outcomes and operations.

**Agency Response:**
The Division of Child and Family Services has complied with House Bill 2, Item 216 for FY2011 by: 1) The Legislature intent language to increase the average case load by one was instituted on July 1, 2010, including careful analysis of FTE by case; 2) With better technology now available, the Division of Child and Family Services, depending on available funding, will identify opportunities for field workers to be more efficient and effective in serving our clients through various mobile interconnected devices; 3) the Division of Child and Family Services has completed a draft of options and strategies to pay workers on a per case basis and will report back to the Office of the Legislative Fiscal Analyst on or before January 1, 2011.

*All General Funds appropriated to the Division of Child and Family Services line item are contingent upon expenditures from Federal Funds - American Recovery and Reinvestment Act (H.R. 1, 111th United States Congress) not exceeding amounts appropriated from Federal Funds - American Recovery and Reinvestment Act in all appropriation bills passed for FY 2011. If expenditures in the Division of Child and Family Services line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to the Division of Child and Family Services line item from Federal Funds - American Recovery and Reinvestment Act in FY 2011, the Division of Finance shall reduce the General Fund allocations to the Division of Child and Family Services line item by one dollar for every one dollar in Federal Funds - American Recovery and Reinvestment Act expenditures that exceed Federal Funds - American Recovery and Reinvestment Act appropriations.*

**Agency Response:**
The division is appropriated American Recovery and Reinvestment Act (ARRA) funds totaling $1,749,700 for FY 2011. In the event that the division receives ARRA funds in excess of the appropriated amount the division will lapse General Fund equal to the amount that exceeds the appropriated total.

**Aging and Adult Services:**

**House Bill 2, Item 217 (for FY 2011):**
The Legislature intends the Division of Substance Abuse and Mental Health and the Division of Aging and Adult Services forego site visits of county mental health, substance abuse, and aging programs during FY 2011 and conduct statutorily required monitoring through reports submitted by electronic
or other means and report back to the Office of the Legislative Fiscal Analyst on or before January 1, 2011 concerning the outcome of this monitoring technique.

Agency Response:
See attached. The Department reported the outcome of this monitoring technique to the Office of the Legislative Fiscal Analyst on November 18, 2010.

All General Funds appropriated to the Division of Aging and Adult Services line item are contingent upon expenditures from Federal Funds - American Recovery and Reinvestment Act (H.R. 1, 111th United States Congress) not exceeding amounts appropriated from Federal Funds - American Recovery and Reinvestment Act in all appropriation bills passed for FY 2011. If expenditures in the Division of Aging and Adult Services line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to the Division of Aging and Adult Services line item from Federal Funds - American Recovery and Reinvestment Act in FY 2011, the Division of Finance shall reduce the General Fund allocations to the Division of Aging and Adult Services line item by one dollar for every one dollar in Federal Funds - American Recovery and Reinvestment Act expenditures that exceed Federal Funds - American Recovery and Reinvestment Act appropriations.

Agency Response:
If more federal funds are collected than were appropriated, the General Fund dollars will be reduced accordingly [see the Appendix for the Division of Aging and Adult Services report regarding Program Audits and Reviews of Area Agencies on Aging].

APPENDIX:

UTAH DIVISION OF AGING AND ADULT SERVICES

Program Audits and Reviews of Area Agencies on Aging

July 1, 2010

AGING AND ADULT SERVICES:

House Bill 2, Item 217 (for FY 2011):
The Legislature intends the Division of Substance Abuse and Mental Health and the Division of Aging and Adult Services forego site visits of county mental health, substance abuse, and aging programs during FY 2011 and conduct statutorily required monitoring through reports submitted by electronic or other means and report back to the Office of the Legislative Fiscal Analyst on or before January 1, 2011 concerning the outcome of this monitoring technique.

Under the federal Older Americans Act, Aging Services in Utah is divided into twelve districts called Area Agencies on Aging (AAAs). These agencies carry about the bulk of the Aging Services activities overseen by the Division of Aging and Adult Services and are monitored on an annual basis for compliance with federal law and state statute and rule. Historically, these monitoring activities have been
conducted in person by Division Program Managers. One of the most valuable aspects of the monitoring visits involved visits with homebound clients, and evaluation of meals served to seniors in the local areas.

Program managers review documentation, program spending, client records and case notes for their specific programs, typically over the course of two days. Each AAA is scheduled for visits from each applicable Program Manager during a specific month. In this way all twelve agencies are visited and monitored annually.

Beginning July 1, 2010, these monitor visits were conducted via telephone with program managers remaining at the Division. New, consistent monitoring tools were developed to focus on requirements and to better facilitate the evaluation process. Required documentation was scanned and emailed, faxed, or in some cases delivered to the Division via courier from the AAA being reviewed. In the event additional documentation was required, the process was placed on hold while the material were prepared, sent, and received.

Telephone interviews have proven to be effective generally, and for the most part monitoring visits have remained effective and positive for both the AAAs and Division staff. Limitations to the process include significantly higher and more costly preparation time for the AAAs being monitored in terms of preparing documentation, the inability to meet with clients or conduct nutritional monitoring, and the lack of interaction between AAA and Division staff, which allowed for additional questions and answers, as well as clarification of policy and procedures.

Despite these limitations, the monitoring has complied with state and federal requirements, and the Division has been able to complete its work thus far as needed. The Division and AAAs believe the process would be more valuable, effective and convenient for all parties, but particularly the AAAs, if on-site monitoring was allowed to resume.