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Utah State Legislature

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November 19, 2019

Senator Jerry W. Stevenson, Senate Chair
Representative Bradley G. Last, House Chair
Executive Appropriations Committee
Utah State Legislature
Salt Lake City, UT 84114

Dear Senator Stevenson and Representative Last,

The Social Services Appropriations Subcommittee is pleased to report our actions during the 2019 Interim. In response to new requirements in HJR 18 (2019 General Session), you asked us to meet three times (June, August and October) to review accountable process budgets. We also deliberated on items that were required by intent language, pending from the 2019 General Session, or otherwise emerging in advance of the 2020 General Session.

As required by JR3-2-501, as amended in HJR 18, we identified approximately 20 percent of our budget for the accountable budget process, ensuring that each program within our purview is subject to the process at least once every five years. We presented our plan to you during your May 14, 2019 meeting. Please find a copy of our plan [here](#) and attached to this report.

Per HJR 18, the accountable budget process is “a review of a line item or program... to determine whether or the extent to which to recommend the line item or program be included in a budget for the upcoming fiscal year.”

The following summarizes the accountable budget process from our Interim Subcommittee meetings:

Actions Taken By The Subcommittee

Subcommittee (all agencies, as applicable)

1. Create an email address or online form for internal audit tip line submissions.
2. Promote internal audit tip lines (phone number and email address/online form) to employees and the public.
3. Add these processes to their annual risk assessment: survey a subset of employees (in addition to directors), consider information systems in development and internal fiscal issues reports.
4. Provide information to assist the Subcommittee in considering the following: Is the number of FTEs and amount of resources sufficient to ensure “adequate internal audit coverage”? (UCA 63I-5-201(1)(c))
5. Set a baseline measure for Medicaid expansion: how many people get out of poverty?

Health

6. Report showing certain programs with other funding sources not currently contributing to indirect costs. \$16,600 of current ongoing General Fund for indirect costs be replaced with 1% of the full potential indirect cost charges identified by the department for programs currently not paying any indirect costs.
7. Performance Measure Change: Information Systems Reviewed for Risks - By changing the time frame, such as systems will be reviewed for risks and mitigations planned within 24 months of review, the target could be reset to 100%.
8. Study and report on the pros and cons of outsourcing the office of health care statistics including cost implications.
9. Investigate the possibility of receiving a higher federal match for some Health Care Statistics Program functions and report on its feasibility.
10. Pursue getting ongoing Medicaid funding for some of the costs in Public Health Informatics Program and report its findings.
11. Report on the proposed revenue impact to the state and individual local health departments of changing to sharing the revenue for all birth certificates.
12. Align the tracked performance measure to match SUCCESS for deaths registered certified using the electronic death registration system.

Human Services

13. Add a new accounting unit (not appropriation unit) for juvenile competency.
14. Clarify the fee schedule.
15. Move the fatality review process from the Bureau of Internal Review and Audit to the Office of Quality and Design.
16. Develop and/or add performance measures for the following programs: Bureau of Internal Review and Audit, System of Care, Juvenile Competency, Office of Licensing, Utah Marriage Commission, Utah Developmental Disabilities Council, Office of Public Guardian.
17. Determine what 3 measures should be included as line item measures for Executive Director Operations and Office of Public Guardian line items.
18. Transition part of the Office of Licensing's budget from General Fund to dedicated credits for fees already collected, as follows:
 - General Fund (550,000)
 - General Fund, One-Time 550,000
 - Dedicated Credits 550,000
 - Dedicated Credits, One-Time (550,000)
19. Report on the following intent language: *The Legislature intends that the Department of Human Services - Office of Licensing provide a report to the Office of the Legislative Fiscal Analyst by September 1, 2020 describing: 1) the feasibility of funding the office directly through fee collections, 2) the pros and cons of a dedicated credit model versus a restricted account model, 3) fees that should be exempted from matching the cost to provide the service and why, 4) estimated changes to current fees to align them more closely with costs, 5) an estimate of how much General Fund would still be required, and 6) any other concerns or considerations.*
20. Consider the following and report on the advantages and disadvantages and the possibility of General Fund savings by October 1, 2019:
 - a. Whether certain routine audits, such as for the Office of Public Guardian, could be billed directly to the requisite division;
 - b. If there are any grants for which indirect is not being maximized; and

- c. If there is a better model for allocating indirect costs than based on personnel, given that audits often involve contractors.

Workforce Services

21. Add the following performance measure for the Administration line item: percent of DWS programs/systems that have reviewed, planned for, or mitigated identified risks.
22. Study Unemployment Compensation Fund.
23. Study topics related to homelessness.

Actions Recommended By Staff But Not Taken By The Subcommittee

Health

1. Staff recommended looking at the following programs in more detail:
 - a. Health Care Statistics
 - b. Organizational Development & Performance Improvement

Human Services

2. Consider whether juvenile competency evaluations should be organized in the Executive Director's Office or in the Division of Substance Abuse and Mental Health.
3. Consider the challenges with juvenile competency evaluation quality and workforce and how can they be mitigated.
4. Consider whether administration of Interstate Compacts on the Placements of Children (ICPC) should be moved from the Division of Child and Family Services to the Office of Licensing, and whether the office should institute a fee on providers when administering an ICPC.

Workforce Services

5. Increase the GRAMA fee for research per hour to "actual cost" for the Administration line item. Reallocate \$150 ongoing General Fund, due to the fee increase and resulting offset of other funding sources.
6. Increase performance measure targets to match current performance for the Unemployment Insurance line item.
7. Study why Executive Director growth primarily due to Operation Rio Grande and support vacancy (overtime) did not return to previous years' baseline post-Operation Rio Grande.

In addition to reviewing accountable process budgets, we also reviewed the following items:

Other Actions Taken By The Subcommittee

1. Fiscal Note and Budget Item Follow-Up Report 2019
(see <https://le.utah.gov/interim/2019/pdf/00003508.pdf>)
 - a. The Subcommittee approved all staff recommendations on 12 items.
 - b. The Subcommittee did not approve staff recommendations on two items:
 - i. Page 93 -- S.B. 150 - Utah Statewide Stroke and Cardiac Registry Act
 - ii. Pages 86-87 -- 2018 G.S. H.B. 326 - Intergenerational Poverty Initiative.
2. Legislative Audit of the University Neuropsychiatric Institute (UNI)
 - a. The Subcommittee moved to have UNI report on the status of implementing the audit recommendations during the 2020 General Session.

Topics Requiring Further Discussion

1. Results from Building Blocks Funded in FY 2019
 - a. The Subcommittee will consider requesting some follow up reports in upcoming meetings.
2. Intermediate Care Facilities – Direct Care Staff Salary Report
 - a. Representative Ray requested what an acceptable level of turnover is for these provider types.
3. Reduction in Demand for Other Programs from Medicaid Expansion
 - a. The Subcommittee will consider making some reductions and requesting follow up reports in upcoming meetings.
4. Require a 90 Day Supply of Generic Drugs in Medicaid
 - a. The Subcommittee will hear additional reports on actual savings from the rule change in upcoming meetings.
5. Behavioral Health Funding Reductions From S.B. 96 (Medicaid Expansion)
 - a. The Subcommittee will likely consider these funding needs in upcoming meetings.
6. Division of Child and Family Services - Caseworker Salaries
 - a. The Subcommittee will likely hear additional information on this issue from the Department of Human Resources Management in upcoming meetings.

Other Items Discussed

1. Public Input
 - a. At each of our seven meetings over four days, the Subcommittee provided opportunities for the public to provide input on the topics discussed.
2. Tours – At each of our regularly scheduled meetings, we met offsite and for an extra 30 to 45 minutes to facilitate a tour, without taking away from discussion time. The Subcommittee toured the operations below:
 - a. Lindon Care & Training Center (Intermediate Care Facility)
 - i. The State recently settled a lawsuit affecting the transition process of clients out of intermediate care facilities.
 - ii. This Intermediate Care Facility projects receiving \$4.5 million prior to any reductions in 2019 from Medicaid with 90% coming from Utah and about 10% from Nevada.
 - b. Utah State Developmental Center (USDC)
 - i. USDC is the State's one public intermediate care facility.
 - ii. USDC in the process of selling and leasing parts of its large property.
 - c. Fourth Street Clinic
 - i. The clinic provides medical services to the homeless.
 - d. Geraldine E. King Women's Center
 - i. The center is one of the new homeless resource centers, which serves women exclusively.
 - e. House of Hope
 - i. House of Hope is a women's substance use disorder treatment facility. It serves many women who have recently been homeless and provides programs where women can reunite with their children while still in treatment.
 - ii. Their budget is \$4.6 million, 90% of which comes from state funding sources such as Medicaid, block grants, and DCFS. The remaining 10% of funding comes from donations, grants, and miscellaneous awards.
 - f. State Laboratory

- i. The laboratory is testing substances related to the vaping illnesses outbreak.
 - ii. The FY 2020 estimated budget for the Utah Public Health Laboratory is \$13.7 million total funds with \$3.1 million from the General Fund which includes 71 FTEs.
3. Town Hall Meeting on the Opioid Overdose Crisis in Carbon County
 - a. The Subcommittee held a town hall meeting in Price in Carbon County to hear from local residents and experts regarding an update on the opioid overdose crisis in their community.
4. Proposed Performance Measures for Building Blocks from the 2019 General Session
5. Financial Impact of Rules to Implement S.B. 96, Medicaid Expansion Adjustments, from the 2019 General Session
6. Department of Health – Still Birth Study
7. Partnership with Medicaid to Improve Prediabetes, Diabetes, and Asthma in Utah
8. Process of Medicaid Eligibility
9. Update on Home and Community-Based Services Settings Rule
10. Service Options for High-Risk Individuals Who Cannot be Restored to Competency
11. Fiscal Note and Budget Item Follow-Up Report 2018 - Remaining Reports
12. Savings Reports for FY 2019 Items
13. Compliance with Medicaid Coverage Laws for Abortion
14. Suspension of Medicaid Enrollment for Incarcerated Individuals: H.B. 460 (2019 G.S.)
15. Recruitment and Retention of Primary Care Providers in Underserved Areas
16. Update on Costs of Medicaid Expansion
17. Medicaid Provider Rates Review
18. Division of Child and Family Services and Utah Foster Care - Analysis of Retention Services
19. Division of Child and Family Services - Rate Parity with Juvenile Justice Services
20. Children's Service Society - Grandfamilies
21. Introduction to Pew Results First Research Project
22. Division of Services for People with Disabilities - Direct Care Staff Salary Report

Sincerely,

Chairs of the Social Services Appropriations Subcommittee.

Sen. Christensen, Co-Chair

Rep. Ray, Co-Chair

Rep. Ward, House Vice Chair