

SFY 2023 Budget Requests

AGENCY OVERVIEW

January 19, 2022



SFY23 Highlights

■ Positions: Only increase is at DCFS

- Piloting Teaming approach

- Two or more caseworkers and program assistants work together on cases, increasing safety and performance
- Will request to add 109 new positions for SFY23

■ General Revenue:

- Will ask to reallocate/restrict the GR increase planned for Medicaid:

- Reallocate to other divisions with significant needs
- Restrict a portion now and in the future to ensure there is funding for DD Waiver slots

- There are no requests for additional GR; only this reallocation

■ Appropriations:

- Will ask to increase appropriations to allow for:

- Additional federal monies the agency is drawing down
- Additional Medicaid appropriations due to PHE-related increase in hospital/medical
- Additional appropriations to cover reallocated GR



DHS seeks to pilot a new workforce structure where cases are assigned to a Family Service Worker *Team*, not just to a single Family Service Worker

Foster Care, In-Home and Differential Response Case FSWs will head a Team that includes Program Assistants to do many of the tasks necessary to support the children and families

Investigations will be conducted by Teams of at least 2 individuals, with Program Assistants added to support the Teams.

Supervision Ratios will be lowered to allow for greater support of FSWs, improve quality of casework, increase supervision.

- The Teaming pilot is being rolled out initially in phases
- If successful, DCFS will seek to expand to other areas of the state beginning in SFY24
- For SFY23, we will request 109 new DCFS positions for the pilot
- The total cost for SFY23 will be \$8.17 million; the state General Revenue required will be \$4 million, and we are requesting to reallocate this amount from the Medicaid SGR increase



Arkansas Medicaid GR Increase

Reallocation to Other Divisions

	Amount
Original FY23 Medicaid GR	\$1.30B
Reallocated to Other Divisions	(\$22.4M)
Updated FY23 GR	\$1.28B

Reallocations	Amount
DCFS	\$11.0M
DAABH (ASH)	\$6.0M
DCO	\$5.0M
DCCECE	\$400K
Total	\$22.4M

Medicaid

- Additional (DDS Waiver) slots to eliminate the waitlist as it stood on December 14, 2021 - **\$37.6M**
- Restricted for this specific use in SFY23 and future years.

DCFS

- Personnel costs including overtime, on-call status, and teaming pilot - **\$7.0M**
- Intensive In-Home Services for 16 additional counties - **\$4.0M**

DCO

- Address verification and validation service to increase integrity in Medicaid eligibility - **\$1.0M**
- County Offices operational costs (increased cost of contracted services including utilities, rent, janitorial, etc.) - **\$2.0M**
- Public Health Emergency one-time wind-down costs (postage/mailings/etc.) - **\$1.0M**
- Office redesign costs for relocations (ex: Washington County lease ending and requirement for relocation/renovation) - **\$1.0M**

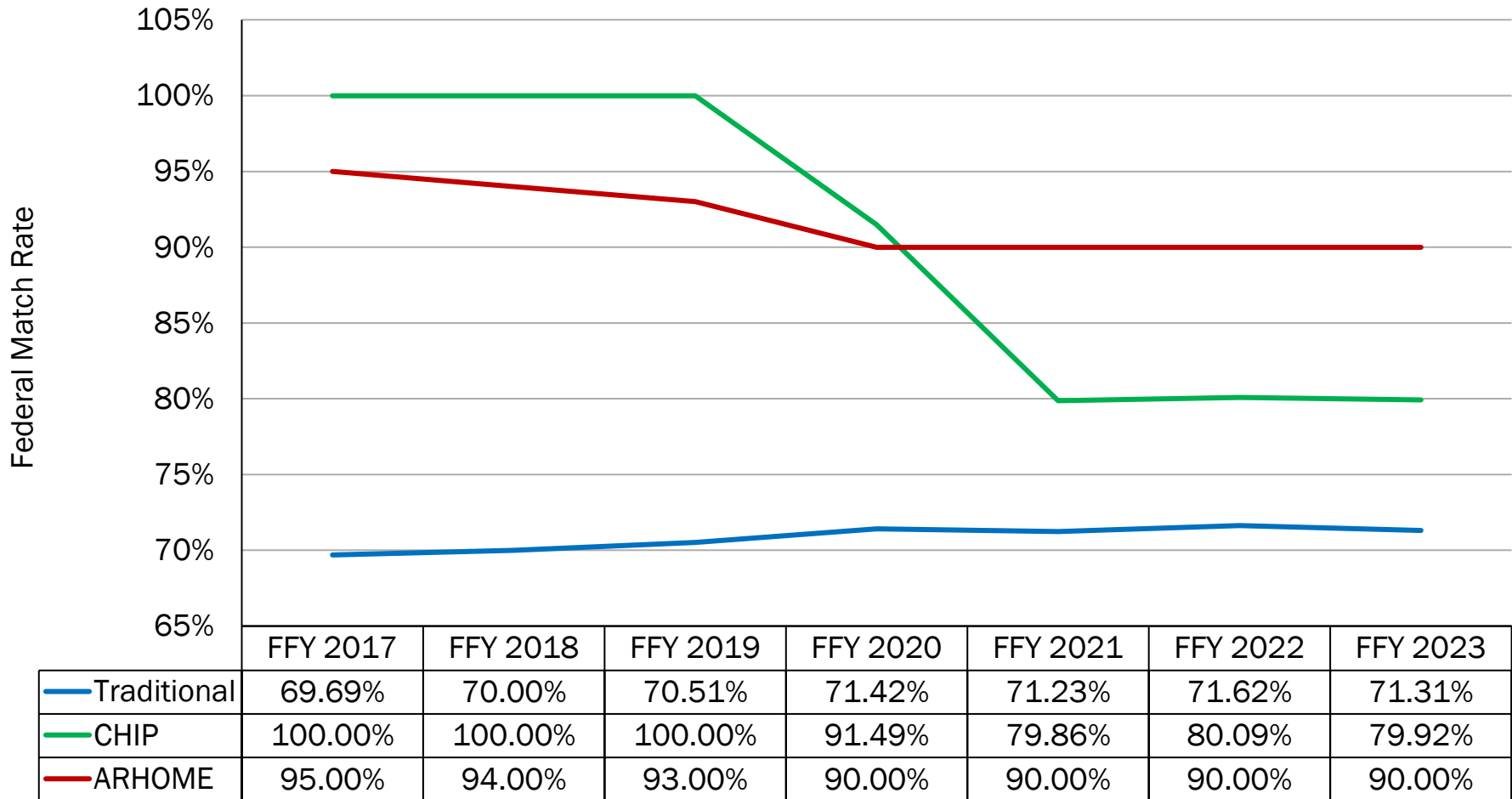
DAABH (ASH)

- ASH Operations (Increased contract and utility costs) - **\$1.6M**
- UAMS Contract for Professional Services (e.g., Physicians) - **\$2.7M**
- Contracted Direct Care Staffing Services (Increased usage due to staff shortages) - **\$1.7M**

DCCECE

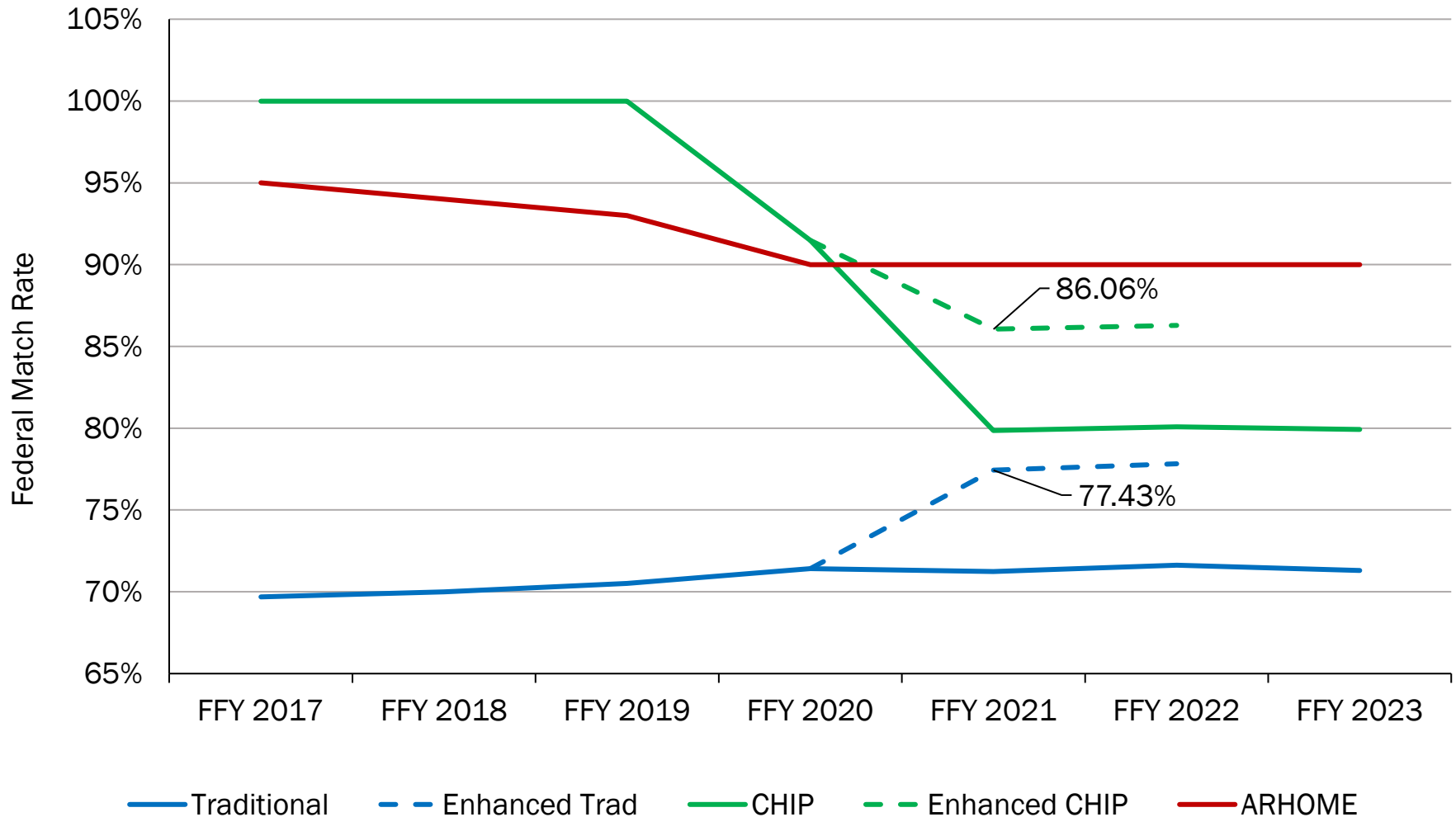
- Personnel & Operational costs associated with enhanced oversight of residential adolescent facilities - **\$400K**

FMAP Assumptions

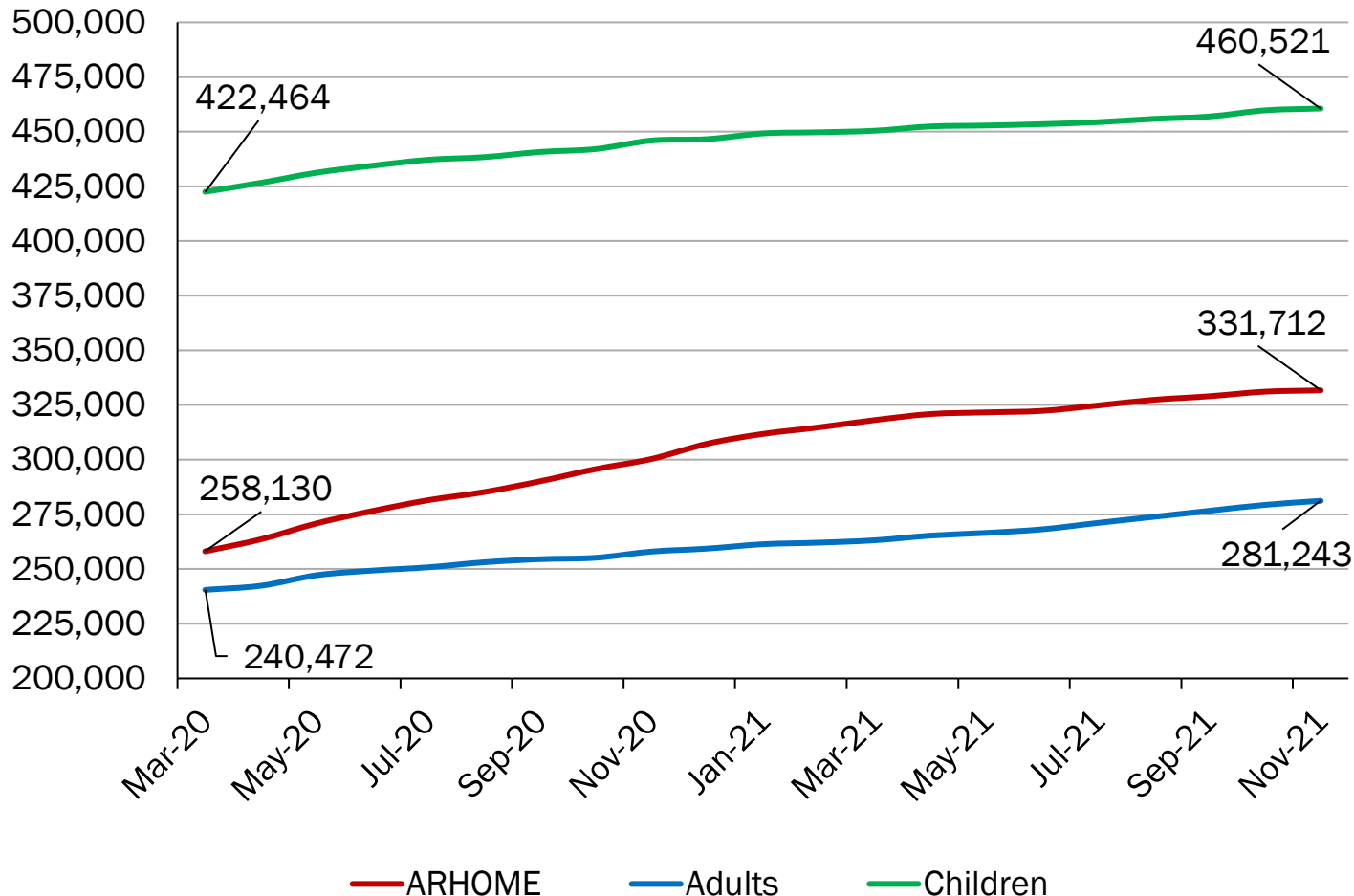


*FFY 2023 FMAP – FFIS Issue Brief 21-14, September 29, 2021

FMAP Assumptions With Enhanced FMAP During PHE



Enrollment Since Public Health Emergency Began



Children
38,057 Added

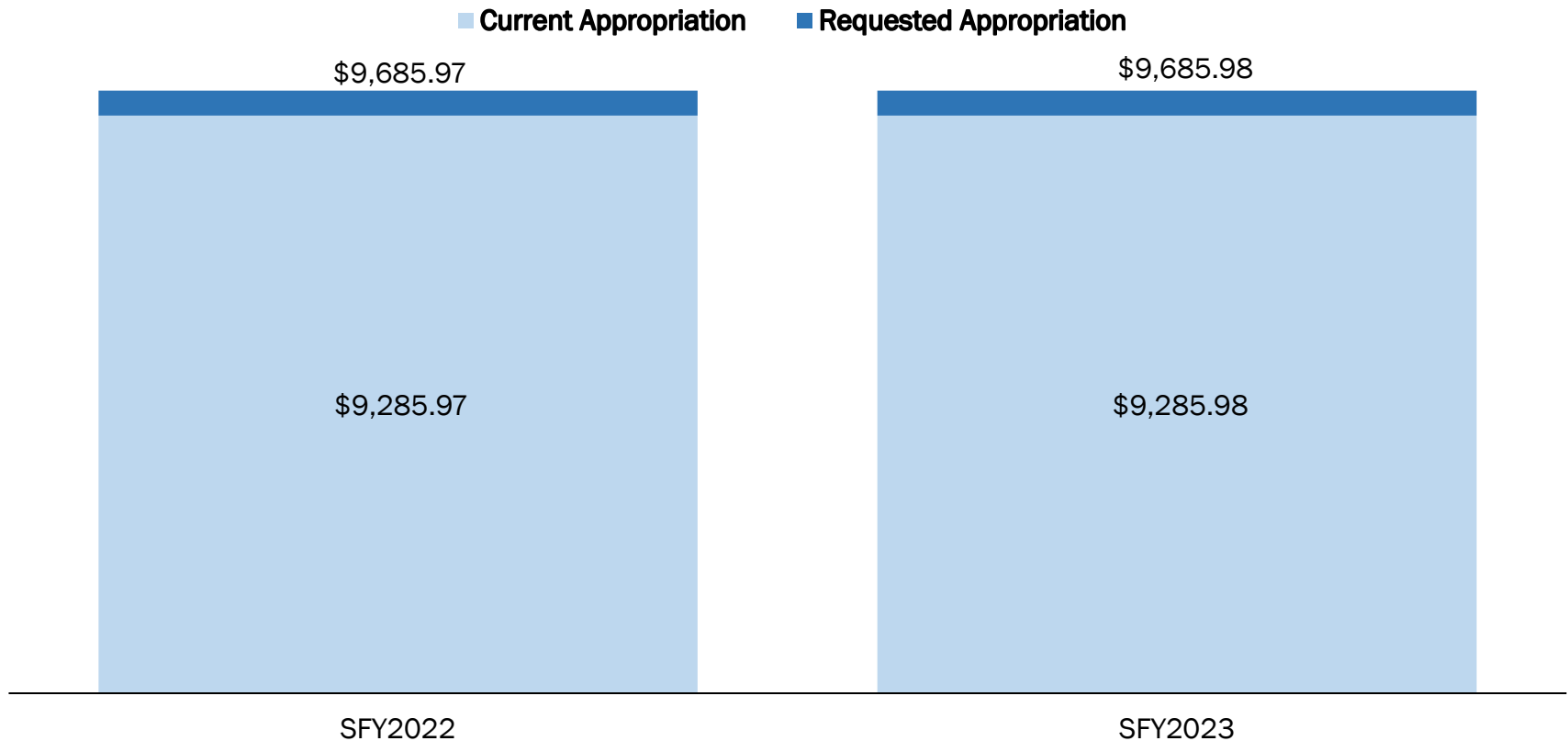
ARHOME
73,582 Added

Adults
40,771 Added



Medicaid Appropriation Request Over Biennial

Appropriation Total (\$M)

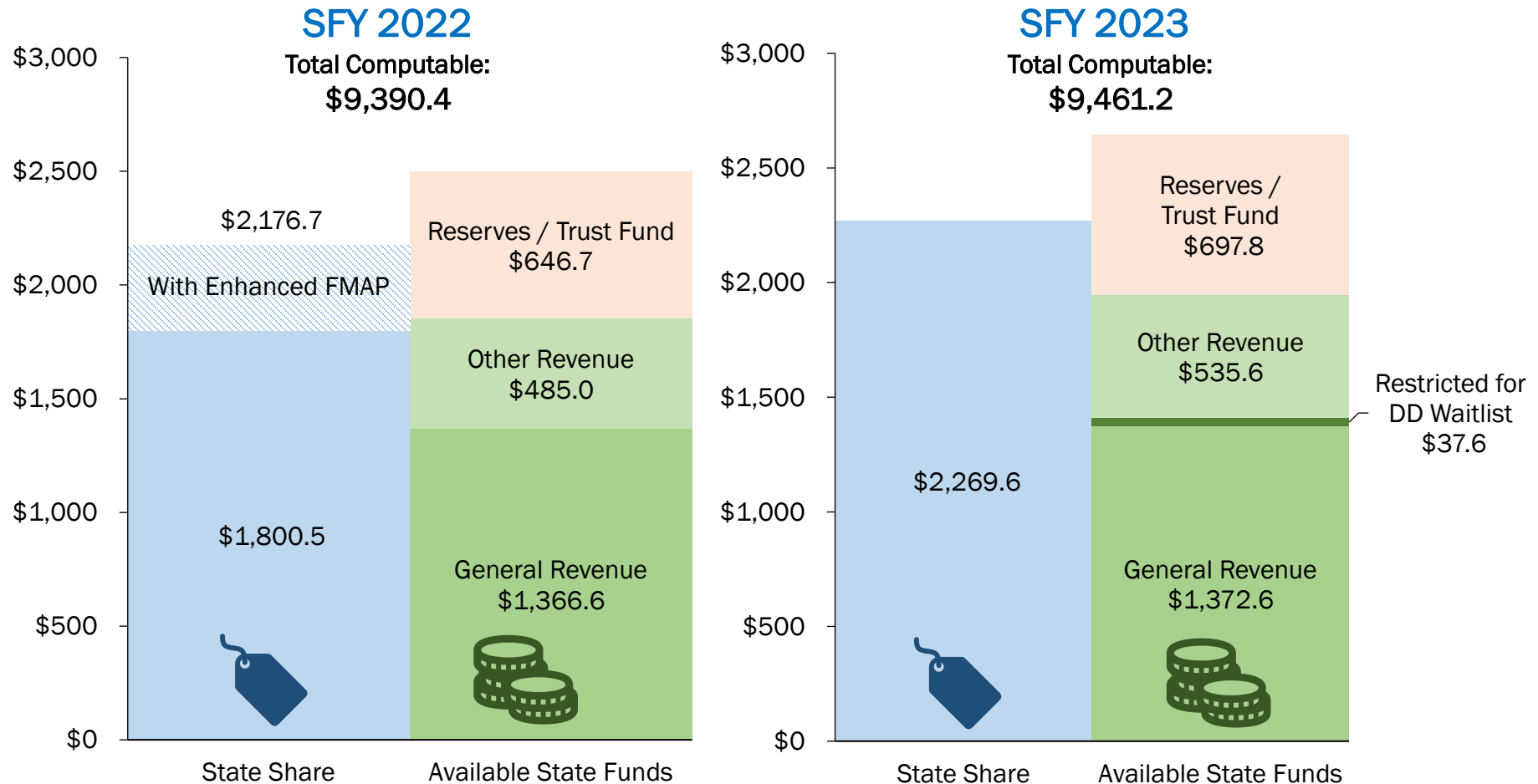


*Appropriation request of \$400 Million for SFY2022 and SFY2023 are for Hospital & Medical Services



Medicaid Funding Flow Over Biennial

State Share to State Funds Comparison (\$M)



Activities Reflected in the Budget

- Expanded Intensive In-Home Services for DCFS and DYS
- Ongoing pilot of new child welfare personnel structure
- Pay raises to restore staffing numbers to adequate levels
 - Increased personnel costs will require additional appropriation but no additional funding
- New Child Welfare Information System (CCWIS)
- Addition of CES waiver slots to serve every client on the DD waitlist as of December 14, 2021
- Implementation of new state laws that impact Medicaid utilization and coverage
- Medicaid provider rate reviews
- Administrative costs associated with the wind-down of the Federal Public Health Emergency
- Enhanced address verification and validation for Medicaid eligibility

Budget Risks

- Personnel recruitment, retention, and turnover
- Potential rise in the number of foster children in DHS custody
- Trend changes in the number of juveniles committed to DYS custody
- Economic conditions
- Litigation
- Continuation of the federal COVID-19 Public Health Emergency
 - The state receives an enhanced FMAP during the PHE but is required to maintain Medicaid enrollment as well
- New biologics and other specialty drugs

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