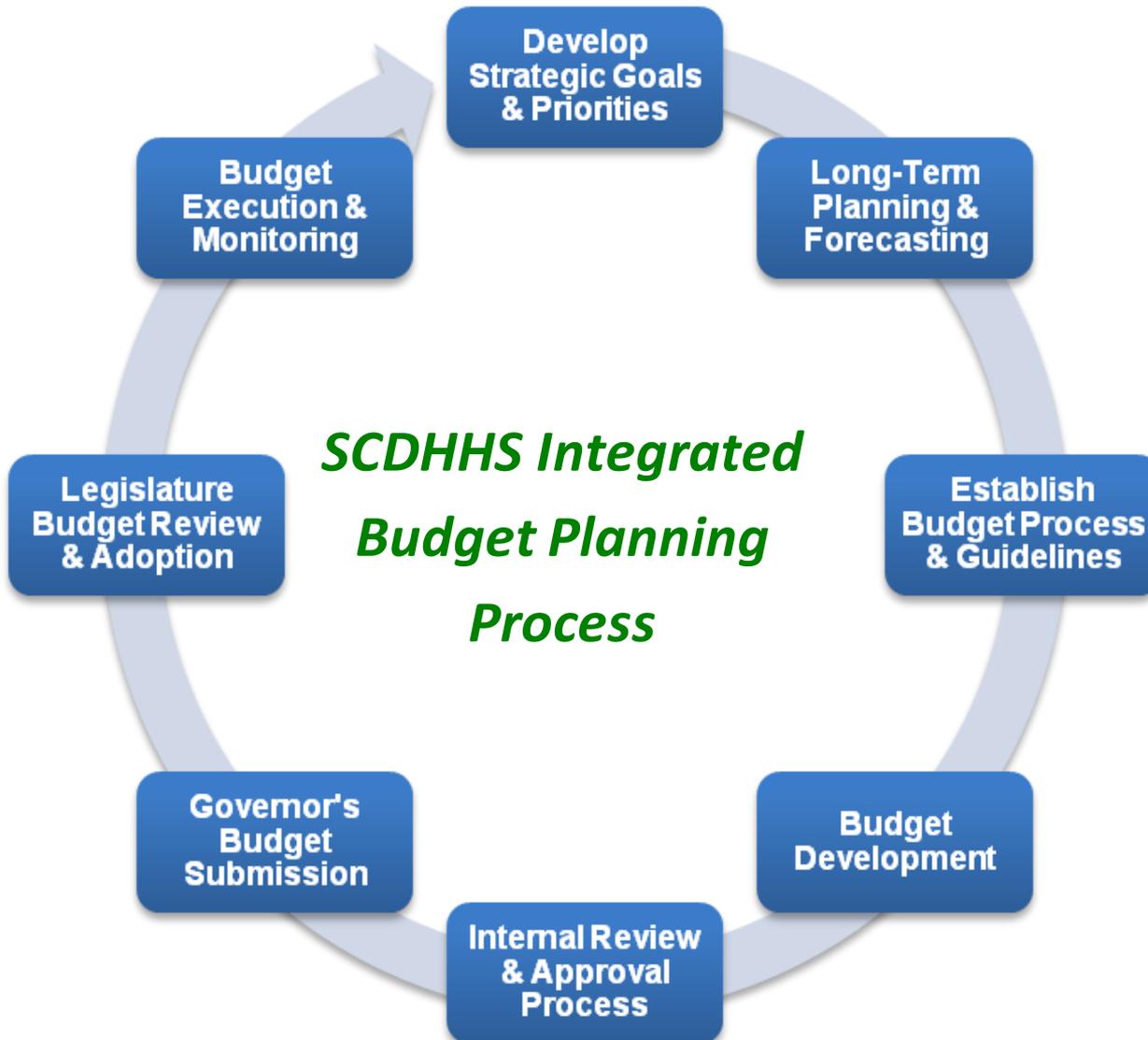


Overview of FY 2013-2014 Budget Planning Process

Ruth Johnson
Chief Financial Officer

New FY 2014 Budget Planning Process



Develop organization's mission and goals

Establish broad policies based on the mission and goals

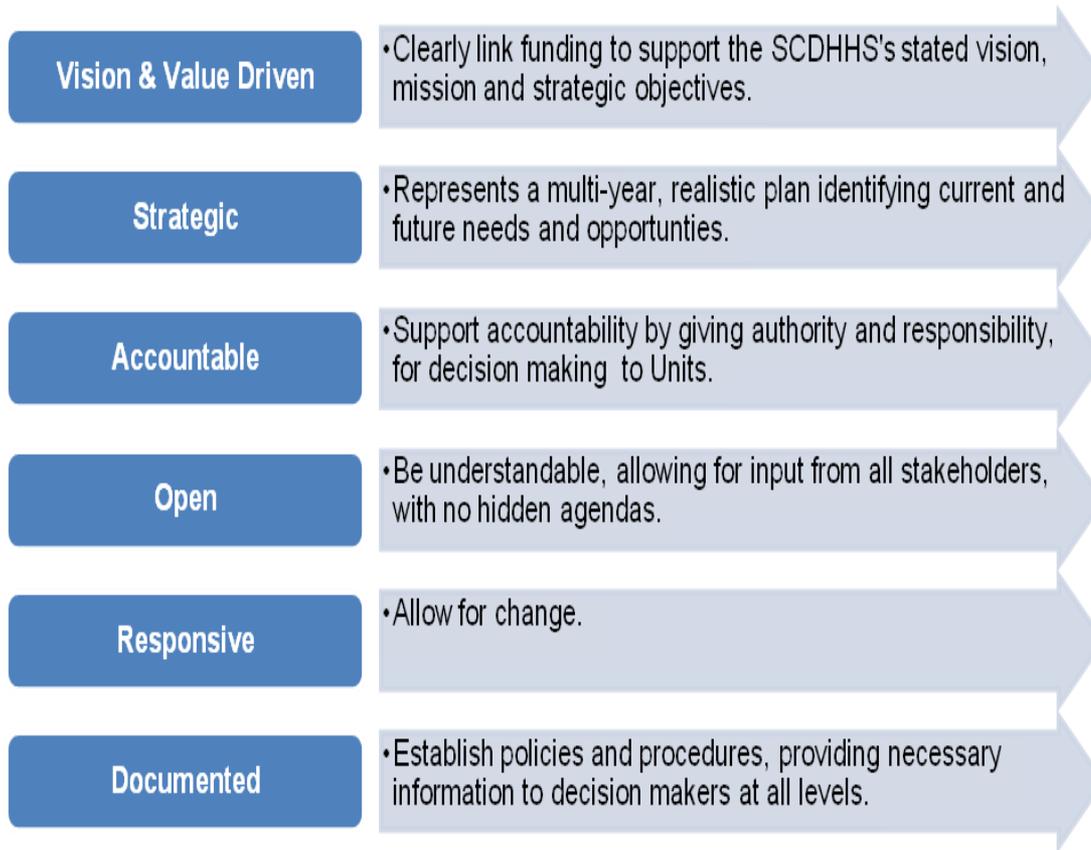
Efficiently identify the most desirable programs to be placed in operation

Allocate the appropriate level of resources to each program

Monitor and evaluate each program during and at the end of its operation

Report the effectiveness of each program

Budget Guiding Principals



The new process will guide SCDHHS divisions through the process of:

Developing and/or modifying its organizational mission and goals

Establishing broad policies based on the mission and goals

Efficiently identifying the most desirable programs to be placed in operation

Allocating the appropriate level of resources to each program

Monitoring and evaluating each program during and at the end of its operation

Reporting the effectiveness of each program

FY 2014 Budget Planning Calendar

- August 1** Budget kick-off and Budget planning Instructions – including “New Funding Decision Packages” for any budget appropriation increases
- August 3** Development of Revenue Forecasts
- August 10** Discuss/meetings with State Agencies to review SCDHHS budget requirements
- August 10** Administrative/Operating Detailed Line Item Budgets (Zero-Based for Professional Service Contracts) due
- August 17** Medicaid Assistance Services & State Agency Budgets due based on ***cost driver assumptions (volume or utilization and price drivers)***. Increased spending requirements will be based on New Funding Decision Packages.
- August 25** Operating Action Plans due
 - Purpose of Program and discussion of major operating, programming and financial challenges for FY 2014 and next three years
 - Major Goals, Objectives and Performance Measures aligned to Strategic Priorities
 - Opportunities to streamline and/or improve internal business process
 - Major planning assumptions and cost drivers
 - Change Management (How has the programs mission and focus changed over the past five years and forecast for the next three years)
 - Functional Organizational Chart

New Funding Decision Packages

The New Funding Decision Packages represent any increased funding requirements over the current year budget appropriation based on requirements for:

- Maintenance of Effort (adjustments for enrollment, utilizations, and rates and/or inflationary adjustments)
- Affordable Care Act
- Other Mandated Federal/State program expansion or new program services
- Agency recommended program expansions or new program services
- New capital funding requests

FY 2014 Budget Planning Calendar

Week of August 27

Presentations will be scheduled with departments to evaluate proposed budget spending priorities and review of any Decision Packages

September 5

Submission of FY 2014 Proposed Budget Appropriation to Governor's Office

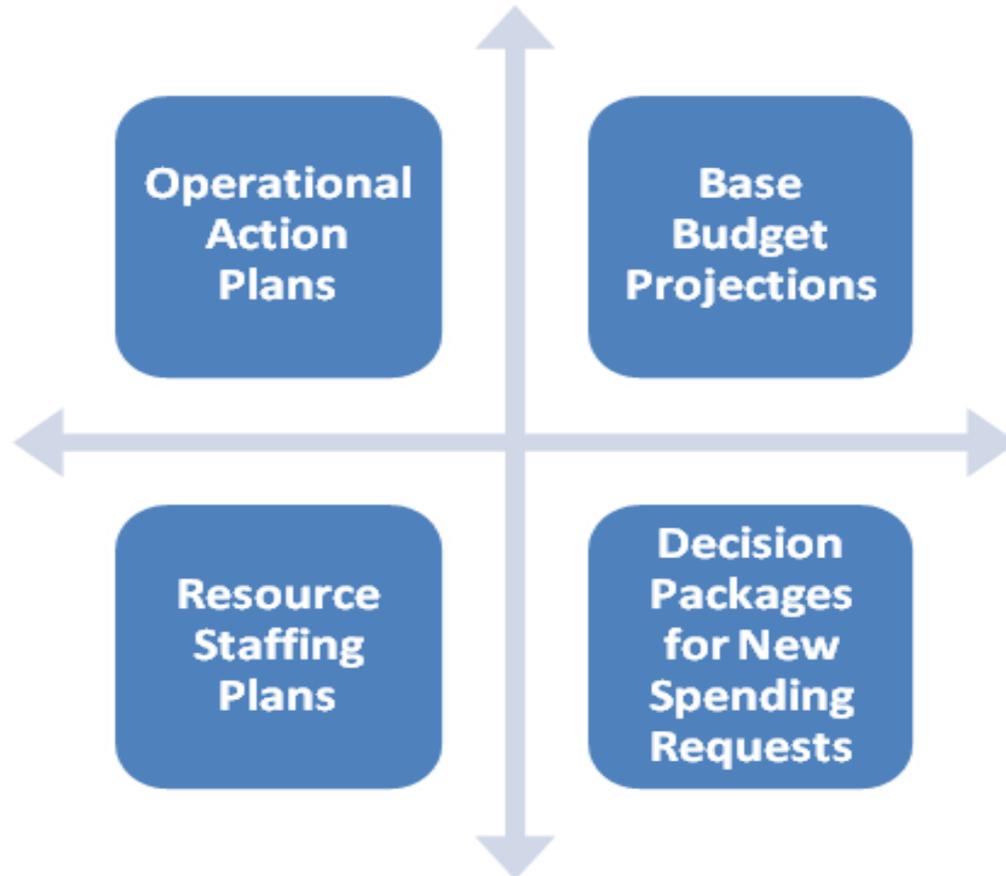
September 10

Division/Programs/Medicaid Funded State Agencies submit Multi-Year Forecasts - FY 2014 to FY 2017

September 30

Submission of Multi-year Forecasts (FY 2014 to FY 2017) to State Budget Control Board

Key Planning Components for SCDHHS Budget Process



Requires comparison of current activities to activities required to support the Department's core mission and priorities

Highlights what is in the base, lending credibility to budget proposals

All current programs, services and activities and related spending requirements are required to be justified

Allows for decision packages for new funding proposals

Challenges the Department to think in terms of economic cost drivers performance and the strategic plan

Identifies key performance indicators that are aligned to the Department's vision, mission, goals and priorities

SCDHHS Annual Budget Calendar

Month	Major SCDHHS Budget Planning Tasks
January/February	Create vision, goals and Department priorities
April	Establish Planning Assumptions & Budget Guidelines
May	Budget Kick-off & Enrollment Projections & Assumptions
June/July	Program Zero-base Budget Development Process
August	Internal Review Process
September to December	<p>Governor's Office Submission & Review Process</p> <p><i>Department Budget Request & New Spending Priorities</i></p> <p><i>Key Performance Indicators</i></p> <p><i>Multi-Year Projections</i></p>
January to June	Legislative Review & Appropriation Hearing Process
Ongoing	<p>Budget Administration & Execution</p> <p><i>Monthly Budget Projections</i></p> <p><i>Quarterly Internal Reviews (Financial & Key Cost Drivers)</i></p> <p><i>Reporting on Key Performance Indicators</i></p> <p><i>Financial Balanced Scorecard/Dashboard</i></p>

Future year budget cycles will begin with the development of the Department Strategic Plan and Major Priorities

FY 2012 Year to Date Financial Results

Summary of Year to Date Financial Performance - As of July 17, 2012				
FY 2012 Annual Budget Comparison				
	FY 2012 Current Budget	Year End Actuals	% Budget Unexpended (Over)	
DHHS Medicaid Assistance				
Coordinated Care	\$ 1,381,771,735	\$ 1,351,329,558	2.3%	
Hospital Services	771,238,500	725,667,536	6.3%	
Disproportionate Share	463,337,593	461,156,329	0.5%	
Nursing Facilities	523,049,914	522,788,876	0.0%	
Pharmaceutical Services	231,390,000	190,191,168	21.7%	
Physician Services	183,930,440	174,575,732	5.4%	
Community Long-Term Care	161,257,044	156,482,571	3.1%	
Dental Services	106,680,030	102,246,514	4.3%	
Clinical Services	68,000,000	63,693,873	6.8%	
Transportation Services	66,398,000	66,333,009	0.1%	
Medical Professional Services	44,005,591	36,536,675	20.4%	
Durable Medical Equipment	40,600,000	31,686,098	28.1%	
Lab & X-Ray	30,000,000	26,029,246	15.3%	
Family Planning	23,404,324	21,916,838	6.8%	
Hospice	12,000,000	11,787,288	1.8%	
PACE	12,515,061	11,882,552	5.3%	
EPSDT Services	9,600,000	9,016,058	6.5%	
Home Health Services	7,002,338	6,042,770	15.9%	
Integrated Personal Care	5,270,600	5,032,851	4.7%	
Optional State Supplement	26,202,491	16,537,089	58.4%	
Premiums Matched	179,000,000	171,699,241	4.3%	
MMA Phased Down Contributions	79,000,000	75,055,510	5.3%	
Premiums 100% State	17,000,000	15,198,422	11.9%	
Total DHHS Medicaid Assistance	\$ 4,442,653,661	\$ 4,252,885,804	4.5%	
Other DHHS Health Programs				
DAODAS	\$ 15,361,260	\$ 13,966,422	10.0%	
Commission for the Blind	39,805	-	100.0%	
Continuum of Care	7,290,154	7,231,286	80.0%	
Corrections (DOC)	5,011,474	4,634,472	8.1%	
Disabilities & Special Needs (DDSN)	525,066,998	518,275,055	1.3%	
Education (DOE)	49,855,201	49,690,993	30.0%	
Health & Environmental Control (DHEC)	16,051,941	13,909,156	15.4%	
Juvenile Justice (DJJ)	6,832,868	6,551,906	4.3%	
Medical University of SC (MUSC)	41,729,530	29,801,318	40.0%	
Mental Health (DMH)	154,757,400	125,020,916	23.8%	
SC State Housing Authority	345,000	326,870	5.5%	
School for Deaf & Blind	4,641,835	4,635,667	0.1%	
Social Services (DSS)	11,687,838	9,260,666	26.2%	
University of South Carolina (USC)	5,742,100	2,558,450	124.4%	
Wil Lou Gray Opportunity School	28,833	24,644	17.0%	
Emotionally Disturbed Children	36,000,000	28,577,954	26.0%	
Other Entities Funding	22,736,888	19,247,621	18.0%	
USC - Maxillofacial	-	225,086	-100.0%	
Total State Agencies & Other Entities	\$ 903,179,125	\$ 833,938,480	8.3%	
Personnel Costs	\$ 58,586,506	\$ 54,535,735	7.4%	
Medical & Health Contracts	\$ 129,521,487	\$ 103,184,760	25.5%	
Other Operating Costs	\$ 26,231,888	\$ 18,846,048	39.2%	
Total Budget to Actuals	\$ 5,560,172,667	\$ 5,263,390,827	5.6%	

Preliminary Year End Financials reflect that:

▪ *Medicaid Assistance Expenditures are at 4.5% under budget as of June 30 Year End*

▪ *State Agencies & Other Entities are at: 8.3% under budget as of June 30 Year end.*