Deputy Mayor for Health and Human Services (DMHHS) and Department of Health Care Finance (DHCF) Fiscal Year 2023 Budget Presentation

Presentation Before the Committee on Health Council of the District of Columbia
The Honorable Vincent Gray, Chairperson

March 28, 2022
Washington, DC
Presentation Outline

- Rebounding Economy and General Budget Overview
- Funding and Functions of Office of Deputy Mayor for Health and Human Services
- DHCF and Important Medicaid and Alliance Program Trends
- Key Budget Proposals For DHCF
- Status of New Hospital
## The District’s Economy Is Rebounding

<table>
<thead>
<tr>
<th></th>
<th>Pre-COVID</th>
<th>Early COVID</th>
<th>Mid-COVID</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DISTRICT REVENUES</strong></td>
<td>$8.7B</td>
<td>$7.9B</td>
<td>$8.5B</td>
<td>$9.4B</td>
</tr>
<tr>
<td><strong>UNEMPLOYMENT RATE</strong></td>
<td>5.0%</td>
<td>11.1%</td>
<td>7.2%</td>
<td>5.8%</td>
</tr>
<tr>
<td><strong>RESIDENTIAL VACANCY (Multi-Family)</strong></td>
<td>7.7%</td>
<td>11.4%</td>
<td>12.7%</td>
<td>9.0%</td>
</tr>
<tr>
<td><strong>COMMERCIAL VACANCY</strong></td>
<td>11.1%</td>
<td>11.9%</td>
<td>12.5%</td>
<td>14.3%</td>
</tr>
<tr>
<td><strong>DC RESIDENTS VACCINATED</strong></td>
<td>-</td>
<td>0%</td>
<td>49%</td>
<td>72%</td>
</tr>
<tr>
<td><strong>CONSUMER SPENDING</strong></td>
<td>-</td>
<td>-41%</td>
<td>-17%</td>
<td>+7.3%</td>
</tr>
<tr>
<td><strong>RESTAURANT SPENDING</strong></td>
<td>-</td>
<td>-49%</td>
<td>-26%</td>
<td>-20%</td>
</tr>
<tr>
<td><strong>PUBLIC HEALTH RESTRICTIONS</strong></td>
<td>NONE</td>
<td>MANY</td>
<td>SOME</td>
<td>FEW</td>
</tr>
</tbody>
</table>
This budget will give District residents a “Fair Shot” by investing $19.5 billion in helping us emerge from the pandemic stronger and more ready to thrive than ever.
The Operating Budget is Funded With More Than $12 Billion

OPERATING BUDGET

• $12 billion general funds budget
• $10.7 billion Local Funds budget
• Local Funds increase of $1.3 billion or 14% over FY 2022 Approved Budget
  ❖ This growth includes significant **one-time investments**, such as $409 million for HPTF
  ❖ Growth is ~6% when one-time investments are excluded

**Key Investments**

- Schools
- Affordable Housing
- Health and Human Support Services, and
- Facilities Maintenance, plus Debt Service to support planned capital investments
Health And Human Services Account For Largest Portion Of Mayor Bowser’s FY 2023 Budget

Proposed FY2023 Operating Budget

- Health & Human Services: $5.72 billion
- Public Education: $4.12 billion
- Enterprise & Other Funds: $2.74 billion
- Financing & Other: $1.82 billion
- Public Safety & Justice: $1.70 billion
- Operations & Infrastructure: $1.34 billion
- Government Direction & Support: $1.14 billion
- Planning & Economic Development: $0.97 billion

Total: $19.55 billion
Rebounding Economy and General Budget Overview

Funding and Functions of Office of Deputy Mayor for Health and Human Services

DHCF and Important Medicaid and Alliance Program Trends

Key Budget Proposals For DHCF

Status of New Hospital
DMHHS Office Has $2.86 Million Budget To Support 15 Staff Who Perform A Range Of Key Oversight And **Programmatic Activities**

Key functions of the office:

- Coordinate the work of interagency teams including Short-term Family Housing programs, Opioid Crisis, Commission on Health Care Systems Transformation, and the Coordinating Council on School Behavioral Health

- **Lead coordination of Encampment Response and Implement CARE Pilot**

- Provide oversight of interagency crisis response, including the COVID-19 response and recovery along with pressing issue of elevated opioid overdoses across the city

- **Facilitate our internally-directed programs – The Interagency Council on Homelessness, Encampment Protocol Engagements, and Age-Friendly DC**

- Partner with agencies to promote policy, legislative, and budget changes
DMHHS leads Encampment Response and Engagement and Implements CARE Pilot.

- The Encampment Team conducts welfare checks and provides services to over 280 encampment sites in the District
- Mayor Bowser’s CARE Pilot Program is a “Housing First” model for persons living in encampments. The goal is to establish permanent housing as the platform from which all other needs of those experiencing homelessness can be addressed.
  - Cross agency coordination with DBH, DPW, DHS, and the federal government through NPS along with CBOs (Pathways to Housing and Miriam’s Kitchen).
  - **FY22 Budget of $3.9M**
  - **$4.2M for DHS** for expanded outreach, housing subsidies, staffing costs, and client costs which will assist in continuing services provided through the CARE pilot
  - Coordinate with National Park Service which is planning to close several encampment sites
  - Report to Mayor this Spring with recommendations for next steps
Outcomes To Date Support Plans For Citywide Program

- Total Number of Residents On Official Pilot List (By-Name List) = 139
- Total Number of Residents Who Refused Engagement = 30 (22%)
- Total Number Successfully Engaged = 109 (78%)
- Residents Who Have Leased Apartments = 74
- Residents In Bridge Housing = 17

Success Rate:
Among Engaged = 83%
Among Total Pilot = 65%
The Mayor’s FY23 budget continues to invest in the District’s older adults. It includes:

- **$500K** for free dental services
- **$2.6M** towards greater community connection and wellness through technology by distributing personal tablets
  - Approximately 1000 wireless enabled iPads in FY23. 500 distributed in FY21
- **$1M** to continue expanding city-wide mobility via the *Connector Card Program*
- **$750K** towards a new *grocery gift card* pilot program
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Medicaid Enrollment Spiked During The Pandemic


Medicaid Enrollment Trends, FY 2003 to FY 2021

- **Medicaid Expansion**
  - FY 2003 to FY 2009: 2.1% Annual Growth
  - FY 2010 to FY 2011: 15.8% Annual Growth

- **Post-Expansion**
  - FY 2012 to FY 2021: 5.0% Annual Growth

- **FY 2021 Growth**: 6.3%

**FY 2023 PROPOSED BUDGET AND FINANCIAL PLAN**
Aged and Disabled Beneficiaries Account for About 20 Percent of Enrollment, But Nearly 60 Percent of Spending

Source: DHCF Medicaid Management Information System (MMIS) data extracted in March 2022 for eligibility in FY 2021 and claims with dates of service in FY 2021.

Note: Reflects eligibility group at the time of payment. Disabled includes individuals eligible for long-term services and supports an institutional level of care. Excludes expenditures not attributable to individual beneficiaries (e.g., disproportionate share hospital payments).
Most Beneficiaries Are In Managed Care But Spending Is Disproportionately Greater For Those Remaining In Fee-For-Service

Medicaid Enrollment and Spending by Service Delivery Type, FY 2021

<table>
<thead>
<tr>
<th>Service Delivery Type</th>
<th>Enrollment</th>
<th>Spending Per Full-Year Beneficiary</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFS beneficiaries</td>
<td>19%</td>
<td>$27,074 FFS</td>
</tr>
<tr>
<td>MCO beneficiaries</td>
<td>81%</td>
<td>$8,058 MCO</td>
</tr>
<tr>
<td>Overall</td>
<td>56%</td>
<td>$11,642 Overall</td>
</tr>
</tbody>
</table>

Medicaid Enrollment = 279,703
Medicaid Spending = $3.256 billion

Source: DHCF Medicaid Management Information System (MMIS) data extracted in March 2022 for eligibility in FY 2021 and claims with dates of service in FY 2021.
Note: Enrollment reflects average monthly and spending per full-year beneficiary reflects the average cost over 12 months. Spending reflects DHCF payments for both capitation and any fee-for-service utilization. Excludes expenditures not attributable to individual beneficiaries (e.g., disproportionate share hospital payments).
The Reason – A Lower Incidence of Chronic Disease in Managed Care Compared to FFS

<table>
<thead>
<tr>
<th>Medicaid FFS Population</th>
<th>Medicaid Managed Care Population</th>
</tr>
</thead>
</table>
| • FFS Medicaid-enrolled adults were most likely to have the following chronic conditions:  
  • Hypertension (48%)  
  • Diabetes (27%)  
  • Hyperlipidemia (27%)  
  • Rheumatoid Arthritis/Osteoarthritis (19%)  
  • Chronic Kidney Disease (18%)  
  
  • FFS Medicaid-enrolled children were less likely than adults to have a chronic condition and were more likely to have different conditions affecting them:  
  • Asthma (8%)  
  • Depression (3%)  
  • Anemia (2%)  
  | • MCO Medicaid-enrolled adults were most likely to have the following chronic conditions:  
  • Hypertension (19%)  
  • Hyperlipidemia (11%)  
  • Depression (9%)  
  • Diabetes (9%)  
  • Asthma (9%)  
  
  • MCO Medicaid-enrolled children were less likely than adults to have a chronic condition and were more likely to have different conditions affecting them:  
  • Asthma (10%)  
  • Depression (3%)  
  • Anemia (2%)  |
The Unquestioned Value Of Universal Contracting In The Managed Care Program

Actual MCO Revenue for January 2021 to December 2021

- **AmeriHealth**: Operating Margin $612.4M, Admin Expenses <1%, Actual Medical Loss Ratio (MLR) 91%
- **CareFirst**: Operating Margin $345.0M, Admin Expenses 4%, MLR 89%
- **MedStar**: Operating Margin $341.0M, Admin Expenses 6%, MLR 92%
- **CMS Actuary Model**: Operating Margin $612.4M, Admin Expenses 3%, MLR 85%

**Actual Medical Loss Ratio (MLR)**

<table>
<thead>
<tr>
<th>MCO</th>
<th>Operating Margin (MM$)</th>
<th>Admin Expenses</th>
<th>MLR</th>
</tr>
</thead>
<tbody>
<tr>
<td>AmeriHealth</td>
<td>$612.4M</td>
<td>&lt;1%</td>
<td>91%</td>
</tr>
<tr>
<td>CareFirst</td>
<td>$345.0M</td>
<td>4%</td>
<td>89%</td>
</tr>
<tr>
<td>MedStar</td>
<td>$341.0M</td>
<td>6%</td>
<td>92%</td>
</tr>
</tbody>
</table>

**Notes:**
- **Source:** MCO Annual Statement filed by the MCOs with the Department of Insurance, Securities, and Banking for the four full-risk MCOs that operated during 2021
- **Note:** MCO revenue does not include investment income, HIPF payments, and DC Exchange/Premium tax revenue. Administrative expenses include all claims adjustment expenses as reported in quarterly DISB filings and self-reported quarterly filings, excluding cost containment expenses, HIPF payments and DC Exchange/Premium taxes as reported in MLR report/calculation provided by the MCOs. MLR numerator is medical expenses – i.e., total annual incurred claims (including incurred but not reported (IBNR)) and cost containment expenses as of December 31, 2021, net of reinsurance recoveries. DHCF requires through its managed care contracts that all full-risk MCOs maintain a minimum MLR of 85%. *MCO reported reserve estimates included in DISB filings impact reported medical expenses and MLR amounts, and actual claims expense may differ from estimated reserves.*
As the District Moves Toward More Coordinated Care For Medicaid And Alliance Beneficiaries, More Hospital Costs are Captured Under Managed Care

Inpatient and Outpatient Hospital Spending

<table>
<thead>
<tr>
<th>Year</th>
<th>Medicaid MCO</th>
<th>FFS</th>
<th>DSNP Medicaid MCO</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$400,000,000</td>
<td>$300,000,000</td>
<td>$200,000,000</td>
</tr>
<tr>
<td>2020</td>
<td>$500,000,000</td>
<td>$400,000,000</td>
<td>$300,000,000</td>
</tr>
<tr>
<td>2021</td>
<td>$600,000,000</td>
<td>$500,000,000</td>
<td>$400,000,000</td>
</tr>
<tr>
<td>2022</td>
<td>$700,000,000</td>
<td>$600,000,000</td>
<td>$500,000,000</td>
</tr>
<tr>
<td>2023</td>
<td>$800,000,000</td>
<td>$700,000,000</td>
<td>$600,000,000</td>
</tr>
</tbody>
</table>

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Enrollment Projections – The Foundation For DHCF’s FY2023 Budget Proposal – Are Especially Challenging During the Public Health Emergency

DHCF Average Monthly Enrollment by Quarter, FY 2019 to FY 2023

Federal PHE Declared Jan. 2020
Eligibility System Sync Feb. 2020
Continuous Coverage Begins Mar. 2020
Managed Care Transition Oct. 2020
Federal PHE Anticipated to End Apr. 2022

FY 2023 PROPOSED BUDGET AND FINANCIAL PLAN
The Full Resumption Of Medicaid and Alliance Eligibility Will Not Be Complete Until 12 Months Following The End Of The Public Health Emergency

Federal Continuous Coverage Provision in Effect (March – July 2023)

Original Timeframe of PHE

Extended Timeframe based on continuation of the PHE

FY2020 FY2021 FY2022 FY2023

Public Health Emergency Period (March 2020 – April 2022*)

Federal Continuous Coverage Provision in Effect (March 2020 – June 2022)

Enhanced Federal Medicaid Assistance Participation (EFMAP) of 6.2% (January 2020 – June 2022)

12-month period to complete eligibility redetermination for residents currently enrolled in Medicaid and Alliance

Note: PHE is likely to be extended through mid-July 2022)
# How DHCF’s Local Funds Budget Reached More Than $927 Million

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY22 Recurring Budget</td>
<td>814,646,705</td>
</tr>
<tr>
<td>Adjustments Made During MARC Formulation</td>
<td>52,826,742</td>
</tr>
<tr>
<td>2% Reduction</td>
<td>(16,480,565)</td>
</tr>
<tr>
<td><strong>FY2023 Revised Baseline</strong></td>
<td>850,992,882</td>
</tr>
<tr>
<td><strong>Budget Adjustments:</strong></td>
<td></td>
</tr>
<tr>
<td>Restoration of Agency Budget Reductions to Meet MARC</td>
<td>37,773,425</td>
</tr>
<tr>
<td>Additional Vacancy Savings</td>
<td>(930,581)</td>
</tr>
<tr>
<td><strong>Total Restored of Proposed Budget Savings Initiatives</strong></td>
<td>36,842,844</td>
</tr>
<tr>
<td><strong>Mayor’s Enhancements:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>39,343,141</td>
</tr>
<tr>
<td><strong>Final FY2023 Local DHCF Budget</strong></td>
<td>927,178,867</td>
</tr>
</tbody>
</table>
## DHCF’s Budget Details As Proposed For FY2023

**Local - $927.7M**

- **Budget Adjustments: $81.3M**
  - (-$1.4M): 9.2% in Vacancy Savings
  - (-3.9M): Efficiencies in maximizing participation
- **$48.8M: Restore local funding due to the end of the enhanced federal match available in FY22, Fund Postpartum Bill, elimination of face-to-face recertification for Alliance and other changes**
- **$37.8M: Restoration of budget adjustments to meet the agency MARC**

**Enhancements $39.3M:**

- **$490k:** One Time funding for Cedar Hill Medical Center planning support including a PMO and training for potential hospital staff
- **$26.7M:** One Time funding to support increase in utilization related to the continued extension of the PHE and continued coverage
- **$4.2M:** Support cost associated with extending the recertification process for Alliance beneficiaries from 6 months to 12 months

**Continuation of ARPA Funding $480K**

- **$480k:** to support non-emergency transportation cost for Alliance beneficiaries to attend medical visits

*Local budget is $927.1M plus Revenue replacement ARPA funds $480k totals $927.7*

## Federal Payments - $2M

- **Continuation of District ARPA Funding:**
  - $1.5M to support Practice Transformation to ensure an adequate provider network exists to support whole person care by establishing value-based care systems
  - **$500k** to support Produce Rx initiatives that give healthcare providers nutritional tools to better manage and coordinate care for Medicaid residents with chronic illnesses

## Dedicated Taxes - $105M

- **Continuation of support for Provider Payments, Administrative cost and Quality. Budget based on anticipated revenue collection**
  - **$17.7M** 0110- Nursing Home Quality of Care Fund
  - **$66.9M** 0111- Healthy DC Fund (MCO)
  - **$6.5M** 0112- Stevie Sello's Fund (ICF)
  - **$8.5M** 0114- Hospital Assessment Tax (Inpatient)
  - **$5.5M** 0115- Hospital Provider Fee (Outpatient)

## O Type Revenue - $5.6M

- **Continuation of support for Provider Payments and Administrative cost. Budget based on anticipated revenue collection**
  - **$2.5M** 0631- Third Party Liability- Medicaid Collections
  - **$2.5M** 0632- Health Care Bill of Rights
  - **$600K** 0635- Indiv. Insurance Mkt Affordable and Stability*

*New fund that will support navigation and assistance to qualified District residents to complete the application process to maintain health care coverage*
DHCF Will Utilize HCBS ARPA Funds To Support Providers In Paying Direct Support Professionals An Average of 117.6% of Living Wage/Minimum Wage By FY2025

In response to the recent workforce shortage in Direct Support Professional (DSP) Workforce, DHCF will use HCBS ARPA funding in FY2023 and March 2024 and the District will support with local funds for fiscal years forward.

Mayor’s Proposal

- Support HCBS providers, through the Medicaid rate; the ability to pay DSP’s a wage above the living and minimum wages (whichever is greater). The current proposal aligns the concept of the original Bill (B23-214) to pay DSP’s an average of 117.6% of LW or MW but expands it to cover the following DSP’s: PCA’s, Participant Direct Care Workers (PDW’s in Services My Way an EPD Waiver service), DD DSP’s, Certified Addiction Counselors (in MHRS- Mental Health Rehab Services and ASARS- Adult Substance Abuse Residential Services) that provide services to Medicaid participants in home and community-based settings. Providers will determine the rates they pay their DSP workers; however, they are required to pay an average of 117.6% of the LW/MW.
- This concept establishes a career ladder and promotes longevity by offering a range of pay from living wage (entry level) to $4 more for a tenured DSP.

How Will Funds Be Allocated?

- DHCF will allot funds in FY2023 and FY2024 in a lump sum allotment to each Provider based on DSP data provide due October 1st including Schedule of DSP’s, salaries, date of hire and vacancy rate.
- The allotment will be issued in December and the requirement for Providers to pay qualifying DSP’s new rate will be aligned with regular living wage adjustments on January 1st.
- DHCF will complete a reconciliation at the end of the period to determine the increase in DSP wages over the year and the impact it had on the vacancy rate.
- In FY2025, DHCF will amend the State Plan and Waivers to increase the rate methodology for the respective provider to support the impact of achieving the average of 117.6% for the DSP workforce.

What Will the Allotment Cover?

- The increase will cover the cost of paying an average of 117.6% of living/minimum wage (whichever is greater).
- Fringe
- Administrative rate

Example: The example assumes that living wage continues to increase annually.

<table>
<thead>
<tr>
<th>Living Wage</th>
<th>Mid Level</th>
<th>Higher Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2023</td>
<td>$16.10</td>
<td>$18.93</td>
</tr>
<tr>
<td>FY2024</td>
<td>$16.45</td>
<td>$19.35</td>
</tr>
<tr>
<td>FY2025</td>
<td>$16.82</td>
<td>$19.78</td>
</tr>
</tbody>
</table>
The Mandatory And Optional Benefits Funded in The Mayor’s FY2023 Budget Are Comprehensive And Extensive

**Mandatory Service Benefits**
- Inpatient hospital services
- Outpatient hospital svcs. (incl. Emergency Room)
- EPSDT: Early and Periodic Screening, Diagnostic, and Treatment Services
- Nursing Facility Services
- Home health services
- Physician services
- Federally qualified health center services
- Laboratory and X-ray services
- Family planning services
- Nurse Midwife services
- Certified Pediatric and Family Nurse Practitioner services
- Freestanding Birth Center services (when licensed or otherwise recognized by the state)
- Transportation to medical care
- Tobacco cessation counseling for pregnant women

**Optional Service Benefits**
- Prescription Drugs
- Clinic services
- Physical therapy and Occupational therapy
- Speech, hearing and language disorder services
- Other diagnostic, screening, preventive and rehab. svcs
- Podiatry svcs, Optometry svcs & Other practitioner svcs
- Dental Services and Dentures
- Prosthetics, Eyeglasses
- Private duty nursing services
- Personal Care
- Hospice
- Services for Individuals Age 65 or Older in an Institution for Mental Disease (IMD)
- Intermediate care facility for Individuals with IDD
- Adult Day Health Program
- Inpatient psychiatric services for individuals under age 21
- Health Homes Programs
For Several Reasons, Proposed FY2023 Provider Payments Vary Significantly From Those Approved In The FY2022 Budget

<table>
<thead>
<tr>
<th>Provider Payment Category</th>
<th>FY2021 Expenditures</th>
<th>FY2022 Approved Budget</th>
<th>FY2023 Proposed Budget*</th>
<th>YoY Variance</th>
<th>Variance Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital</td>
<td>253,726,006</td>
<td>191,495,044</td>
<td>220,699,190</td>
<td>29,204,146</td>
<td>Alignment with anticipated utilization post pandemic in Inpatient and a decrease in DSH as a result of the changes in DSH requirements</td>
</tr>
<tr>
<td>Hospital Support Funding</td>
<td>9,900,000</td>
<td>8,000,000</td>
<td>8,000,000</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>ICF/IID</td>
<td>98,625,562</td>
<td>109,758,823</td>
<td>92,556,719</td>
<td>(17,202,104)</td>
<td>-16% based on anticipated enrollment (XXX). FY23 includes funding to pay increased DSP wages for FY21 and FY23 does not include enhanced rate but assumes rebasing</td>
</tr>
<tr>
<td>Skilled Nursing Facility</td>
<td>303,898,273</td>
<td>280,101,143</td>
<td>286,081,727</td>
<td>5,980,584</td>
<td>2%</td>
</tr>
<tr>
<td>Primary Care (Physicians, Clinics and FQHC)</td>
<td>96,373,867</td>
<td>99,627,598</td>
<td>154,916,714</td>
<td>18,791,182</td>
<td>14% Assumes end of enhanced rates and “normal” utilization for FFS population post transition</td>
</tr>
<tr>
<td>Other (Medicare Part A, B, etc)</td>
<td>123,232,012</td>
<td>136,127,598</td>
<td>69,156,102</td>
<td>(67,071,496)</td>
<td>-51%</td>
</tr>
<tr>
<td>DME</td>
<td>15,269,893</td>
<td>18,155,075</td>
<td>24,990,621</td>
<td>6,835,546</td>
<td>38% includes assumptions in utilization and updates in Fee Schedule adjustments</td>
</tr>
<tr>
<td>Behavioral Health (Inc. BH Waiver)</td>
<td>152,854,816</td>
<td>165,838,412</td>
<td>158,235,140</td>
<td>(7,603,273)</td>
<td>-5% Alignment of Nursing Rates including inflation</td>
</tr>
<tr>
<td>Skilled Care</td>
<td>29,941,841</td>
<td>20,449,326</td>
<td>29,432,902</td>
<td>8,983,576</td>
<td>44% Assumptions end of enhanced rates for PCA and ADHP, and a full year of PACE</td>
</tr>
<tr>
<td>LTCs (incl PCA and PACE)</td>
<td>181,910,430</td>
<td>166,808,814</td>
<td>87,793,560</td>
<td>(70,015,254)</td>
<td>-47%</td>
</tr>
<tr>
<td>DSNP</td>
<td>-</td>
<td>-</td>
<td>123,215,268</td>
<td>123,215,268</td>
<td>3% includes increase in enrollment in the waiver</td>
</tr>
<tr>
<td>EPS Waiver</td>
<td>170,957,106</td>
<td>203,578,632</td>
<td>6,771,068</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>DD Waiver</td>
<td>308,558,556</td>
<td>294,924,043</td>
<td>13,866,978</td>
<td>18,942,935</td>
<td>6% Assumptions end of enhanced rates and “normal” utilization for FFS population post transition</td>
</tr>
<tr>
<td>IFS Waiver</td>
<td>1,548</td>
<td>4,114,601</td>
<td>1,861,102</td>
<td>1,861,102</td>
<td>45% Assumptions end of enhanced rates and “normal” utilization for FFS population post transition</td>
</tr>
<tr>
<td>Emergency Medicaid</td>
<td>30,027,240</td>
<td>34,995,382</td>
<td>31,855,709</td>
<td>(3,139,673)</td>
<td>-9%</td>
</tr>
<tr>
<td>MCO</td>
<td>1,598,723,474</td>
<td>1,475,732,863</td>
<td>1,516,854,052</td>
<td>41,121,188</td>
<td>3% Assumptions end of enhanced rates and “normal” utilization for FFS population post transition</td>
</tr>
<tr>
<td>Permanent Supportive Housing</td>
<td>-</td>
<td>10,667,822</td>
<td>58,907,724</td>
<td>562% FY23 assumes a full year of implementation and increased enrollment</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3,370,020,624</td>
<td>3,220,373,110</td>
<td>3,404,555,630</td>
<td>184,182,519</td>
<td></td>
</tr>
</tbody>
</table>

Note: FY23 Budget includes funds interagency funding that supports the provider payment category

* Transition population represents the FFS populations that shifted to MCO in FY21 (including SSI adults and Beneficiaries eligible for MCO but opted out).
Goal: to establish rate methodologies that will support the behavioral health provider network’s ability to achieve the goals and expectations set forth by DBH and ensure qualifying District residents have access to quality behavioral health care.

Milestones: DHCF’s contractor has completed a cost survey of District BH providers and has begun analyzing survey and claims data. Work will be completed in phases to allow for simultaneous District review and feedback.

Rebounding Economy and General Budget Overview

Funding and Functions of Office of Deputy Mayor for Health and Human Services

DHCF and Important Medicaid and Alliance Program Trends

Key Budget Proposals For DHCF

Status of New Hospital
CEDAR HILL REGIONAL MEDICAL CENTER GW HEALTH
COMMITTEE ON HEALTH – FY23 BUDGET UPDATE, MARCH 28, 2022

For More Info contact keisha.mims@dc.gov or visit the Hospital Website at https://newhospitals.dc.gov

FY 2023 PROPOSED BUDGET AND FINANCIAL PLAN

STATUS UPDATE MARCH 2022
https://newhospitals.dc.gov/
Hospital construction cost have increased due to three factors –

1. The hospital was designed and budgeted for before COVID-19, in late 2019. The partners incorporated lessons learned during COVID into the design – for example the use of 100% outdoor air HVAC systems.
2. Inflation, global and national supply chain shortages, and market conditions have increased the cost of non-residential construction and new health construction by 12% from October 2020 to 2021 – with no expected end in sight.
3. The hospital partners made a strategic decision to build a larger diagnostic and treatment area to accommodate future growth and potential health emergencies.

Universal Health Services will contribute $5.5 million to assist with the additional costs associated with the larger diagnostic and treatment center, part of their $75M investment in agreement with the District.

Workforce training and project management funds are also included in the budget.

- $250,000 for the District to establish voluntary training courses for any United Medical Center staff who are interested in working at the new hospital and need to upskill or reskill to meet the new hospital’s hiring requirements. This is a requirement of the Council passed legislation and associated agreements.
- $240,000 to support the project’s overall implementation, specifically these funds would be used for a 3rd party construction project manager to be overseen by DHCF.
Work on the new hospital has begun...

- Removal of former 801 East Men’s Shelter
- Removal of former steam tunnels
Cedar Hill Memorial Health Center Will Be A Full-Service Community Hospital with Verified Trauma Center

- 136 inpatient beds (can expand to 196 in the future)
- Verified Trauma Center
- ICU, Surgery and Operating Rooms
- Newborn Delivery and Women’s Services w/ Level II Neonatal Intensive Care Unit
- Behavioral Health
- Adult and Children’s Emergency Department
- The solar panels on the garage will provide energy assistance to over 200 households in the adjacent community.
- The hospital must comply with the District’s CBE, First Source and Project Labor Agreement Requirements.
- Staffed by the George Washington Medical Faculty Associates, George Washington School of Medicine and Health Sciences and by Children’s National
- Helipad if FAA Approves