

Appropriations Committee
Department of Health and Human Services Testimony
February 10, 2014

Kerry T. Winterer
CEO, Department of Health and Human Services

Good afternoon, Senator Mello and members of the Appropriations Committee. For the record, I am Kerry Winterer (K-e-r-r-y W-i-n-t-e-r-e-r), and I am privileged to be the Chief Executive Officer for the Department of Health and Human Services.

I am joined today by Division Directors: Dr. Joseph Acierno, Public Health; Ruth Vineyard, Deputy Director for Medicaid and Long-Term Care; Thomas Pristow, Children and Family Services; Scot Adams, Behavioral Health; Jodi Fenner, Developmental Disabilities; and Matt Clough, Chief Operating Officer for the Department. John Hilgert, Director of the Division of Veterans' Homes, is not able to join us today.

Before we begin, we wish to thank you and your staff for your work on behalf of the Department, and especially on priority areas for us. We also thank you for including most of our requests in your preliminary recommendations. We will not address those requests unless you have additional questions for us.

The budget adjustments proposed by Governor Heineman are intended to continue our initiatives to improve services for the most vulnerable Nebraskans. The recommendations reflect the realities of the current economic situation and enable us to implement operational efficiencies throughout the Department, to redirect resources where necessary, and to adjust to changes in federal funding. Let me briefly touch on the difference between your preliminary recommendations and the Governor's, and then the Directors and I can respond to any questions.

Personal Service Limitation Increases

- The Governor's recommendation does not include a Personal Service Limitation increase at the Lincoln Regional Center for FY 2013-14 or FY 2014-15 while the Committee's preliminary recommendation includes \$408,000 PSL in FY 2013-14 and \$871,600 PSL in FY 2014-15. Thank you for the Committee's recommendation; however, we are able to manage within the Governor's recommendation.
- The Governor's recommendation includes a Personal Service Limitation increase at the Norfolk Sex Offender Treatment facility of \$48,558 PSL for FY 2013-14 and \$105,139 PSL for FY 2014-15 while the Committee's preliminary recommendation includes \$586,843 PSL in FY 2013-14 and \$775,079 PSL in FY

2014-15. Again, thank you for the Committee's recommendation; however, we are able to manage within the Governor's recommendation.

ACA Contingency Savings

- The Governor's recommendation includes a reduction and redirection of \$10,000,000 GF in FY15 from Program 046 Patient Protection and Affordable Care Act Contingency Fund to address the impact of the reduced FMAP, with the assumption that provisions of the ACA will cover behavioral health services that had previously been paid through the Division of Behavioral Health. The Committee's preliminary recommendation does not include this reduction.

The Department requests that the Committee include the Governor's recommendation to use these funds to address the General Fund impact of the reduced FMAP in the Committee's Recommendations.

We appreciate the opportunity to discuss these budget adjustments with you and would be happy to answer any questions you have.