



Budget Briefing: Health and Human Services

Susan Frey, Senior Fiscal Analyst

Kevin Koorstra, Associate Director

Viola Wild, Senior Fiscal Analyst

January 2018

Briefing Topics

- Funding Sources
- Appropriation Areas

Department of Health and Human Services

The Department of Health and Human Services (DHHS) was created through the merger of the Department of Community Health (DCH) and the Department of Human Services (DHS) under Executive Order 2015-4.

- The **Health Services** portion of the DHHS budget provides funding for:
 - Medical services programs, including Medicaid and the Healthy Michigan Plan
 - Behavioral health services, including substance use disorder services
 - Public health programs
 - Aging and adult services
- The **Human Services** portion of the DHHS budget includes programs and services to assist Michigan's most vulnerable families. This includes:
 - Public assistance programs
 - Protecting children and assisting families by administering foster care, adoption, and family preservation programs, and by enforcing child support laws

Key Budget Terms

Fiscal Year: The state's fiscal year (FY) runs from October to September. FY 2017-18 is October 1, 2017 through September 30, 2018.

Appropriation: Authority to expend funds. An appropriation is not a mandate to spend. Constitutionally, state funds cannot be expended without an appropriation by the Legislature.

Line Item: Specific appropriation amount in a budget bill which establishes spending authorization for a particular program or function.

Boilerplate: Specific language sections in a budget bill which direct, limit, or restrict line item expenditures, express legislative intent, and/or require reports.

Lapse: Appropriated amounts that are unspent or unobligated at the end of a fiscal year. Appropriations are automatically terminated at the end of a fiscal year unless designated as a multi-year work project under a statutory process. Lapsed funds are available for expenditure in the subsequent fiscal year.

Note: Unless otherwise indicated, historical budget figures in this presentation have not been adjusted for inflation.

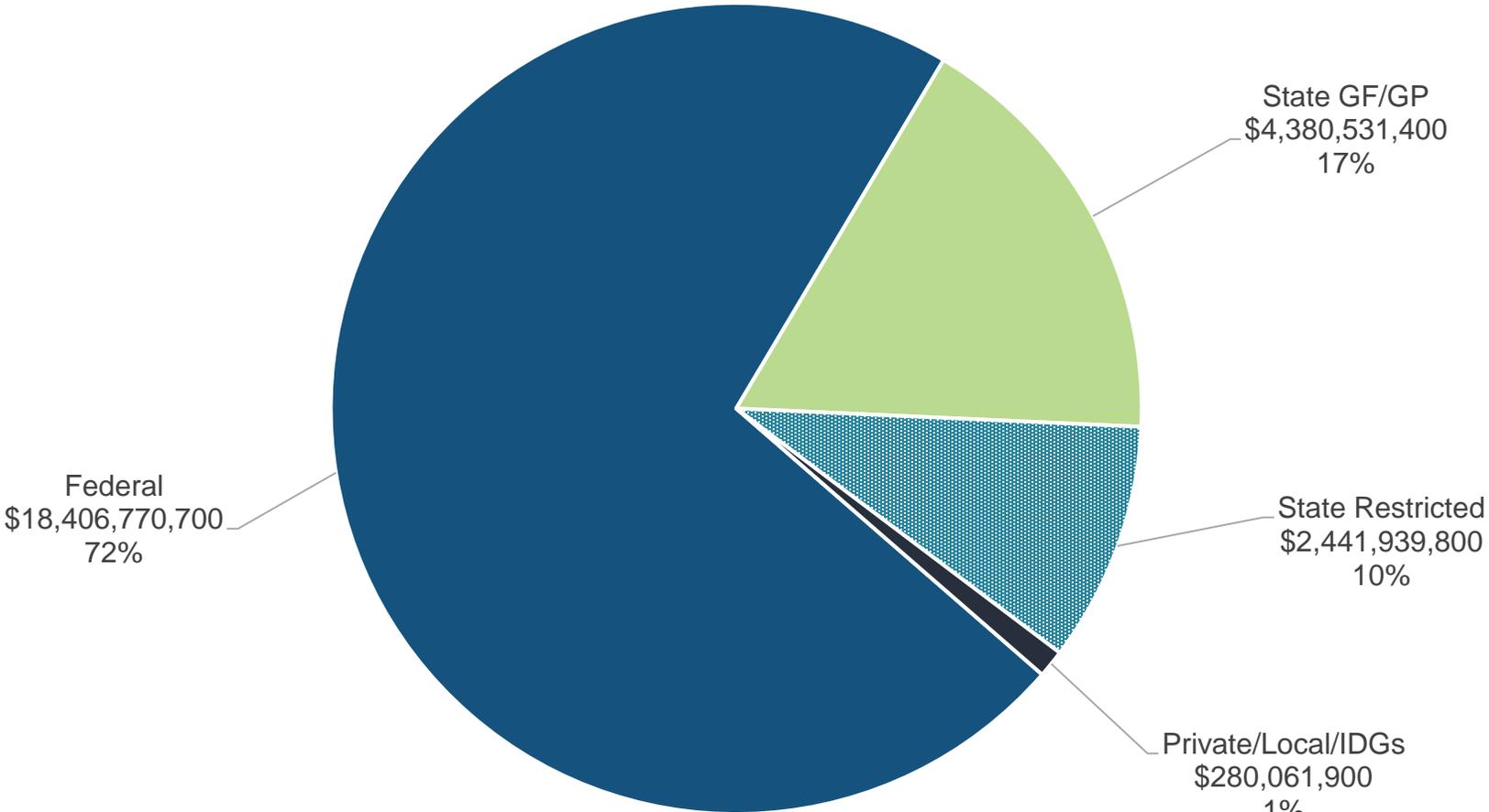
Funding Sources

FY 2017-18 DHHS Budget

Fund Source	Funding	Description
Gross Appropriations	\$25,509,303,800	Total spending authority from all revenue sources
Interdepartmental Grants (IDG) Revenue	13,640,900	Funds received by one state department from another state department, usually for services provided
Adjusted Gross Appropriations	\$25,495,662,900	Gross appropriations excluding IDGs; avoids double counting when adding appropriation amounts across budget areas
Federal Revenue	18,406,770,700	Federal grant or matching revenue; generally dedicated to specific programs or purposes
Local Revenue	116,545,300	Revenue received from local units of government for state services
Private Revenue	149,875,700	Revenue from individuals and private entities, including payments for services, grants, and other contributions
State Restricted Revenue	2,441,939,800	State revenue restricted by the State Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue
State General Fund/General Purpose (GF/GP) Revenue	\$4,380,531,400	Unrestricted revenue from taxes and other sources available to fund basic state programs and other purposes determined by the Legislature

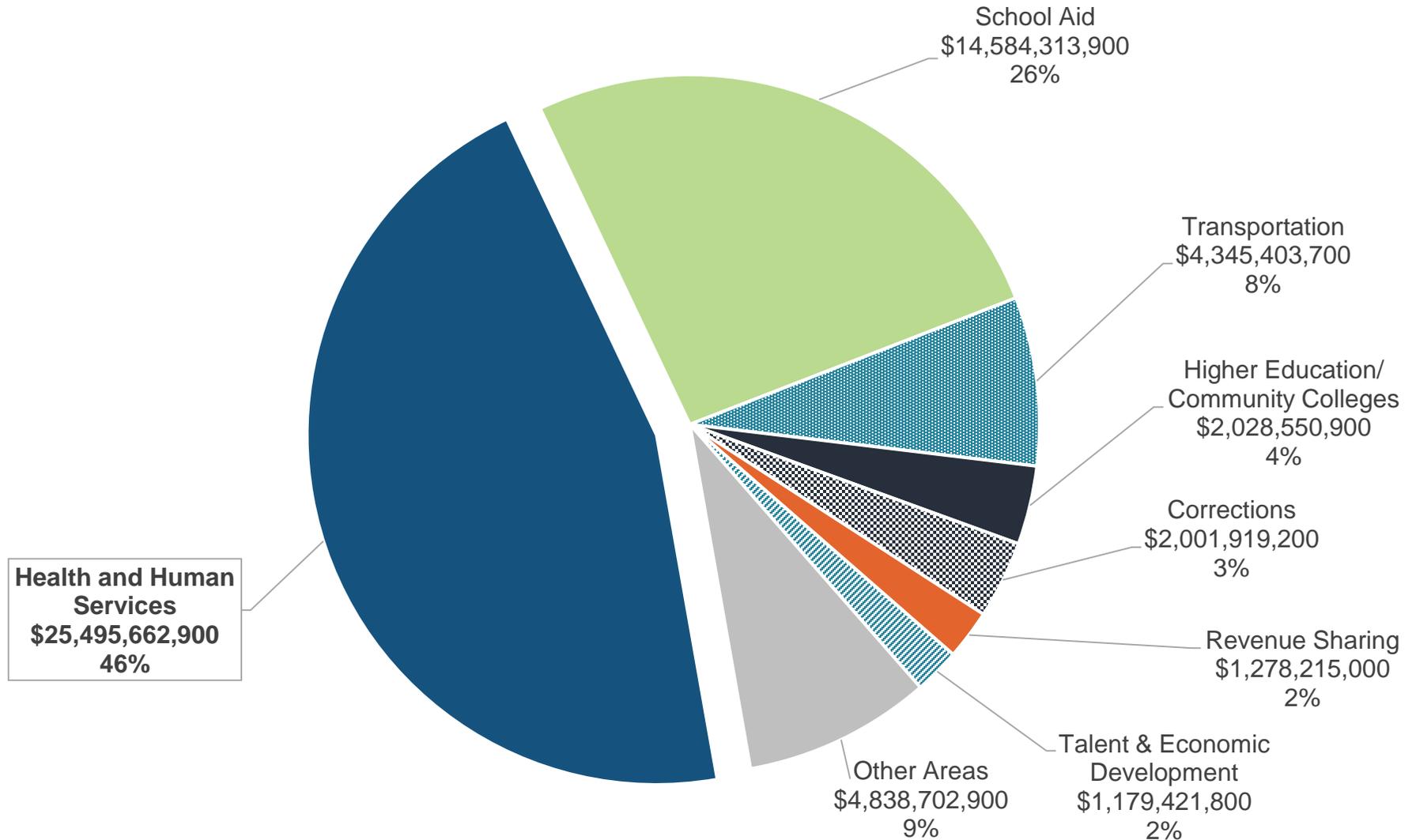
FY 2017-18 Fund Sources

Over 70% of the **\$25.5 billion** DHHS budget is funded by federal revenue, including Medicaid and Healthy Michigan Plan matching funds, food assistance funds, and the TANF block grant.



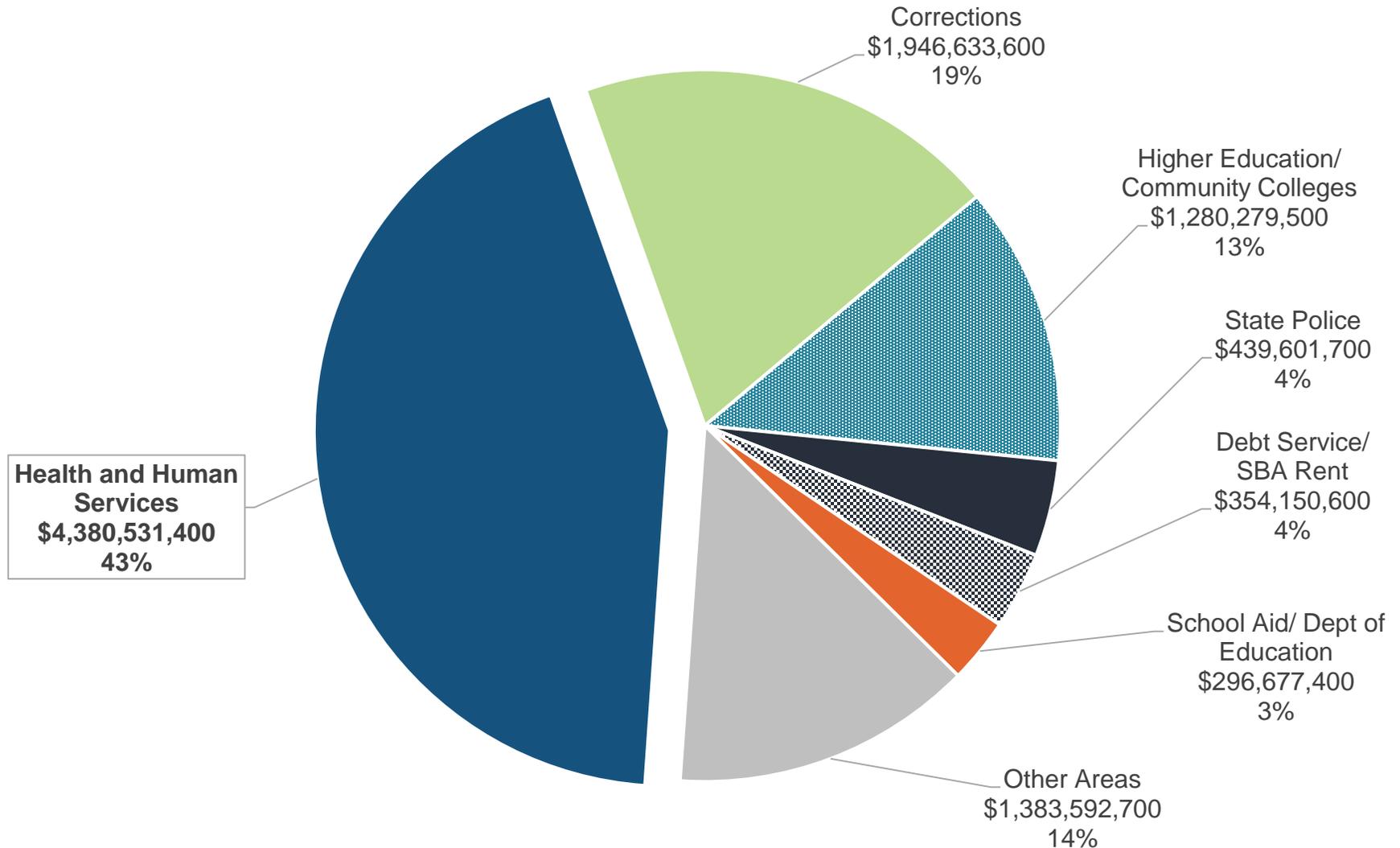
DHHS Share of Total State Budget

The DHHS budget represents nearly one-half of the **\$55.8 billion** state budget (adjusted gross) for FY 2017-18.



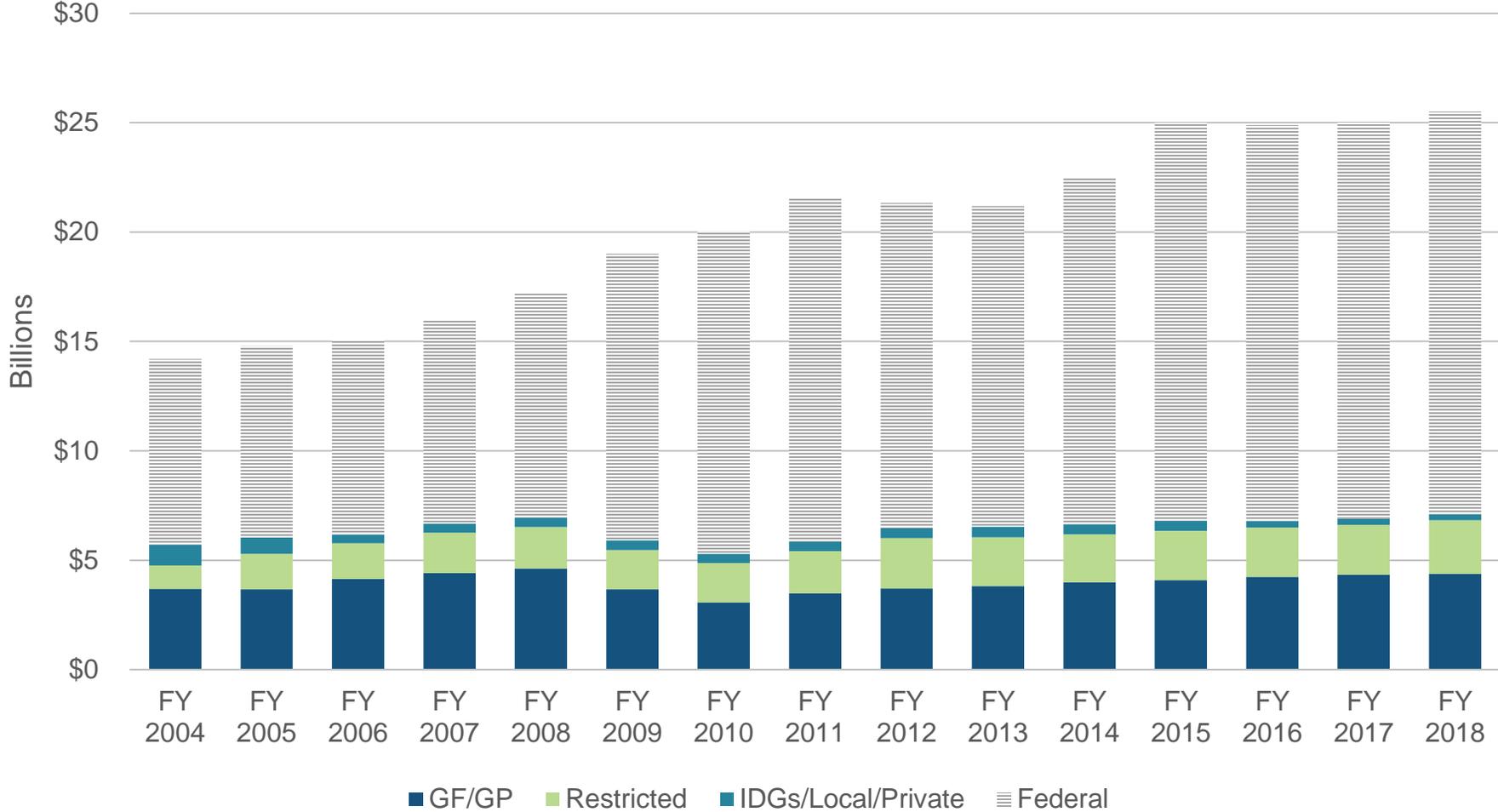
DHHS Share of Total GF/GP Budget

The DHHS budget also represents over 40% of the state's **\$10.1 billion** GF/GP budget for FY 2017-18.



DHHS Funding History

Funding for Health and Human Services has grown by 79% since FY 2003-04, driven mainly by increases in federal funding for Medicaid, the Healthy Michigan Plan, and food assistance.



Note: Amounts prior to FY 2015-16 are totals for DCH and DHS

Appropriation Areas

DHHS Appropriation Areas

Medical Services: Provided under Medicaid, Healthy Michigan Plan, MIChild, and Children's Special Health Care Services; delivered by managed care plans and medical providers

Behavioral Health: Services provided through community mental health services programs, prepaid inpatient health plans (Medicaid-funded), and state-run hospitals; includes substance use disorder services

Public Health: Services addressing environmental health, infectious and chronic disease, and services for vulnerable populations; provided in partnership with local health departments

Public Assistance: Cash, food, and emergency needs support

Child Welfare: Foster care, adoption, and family preservation programs

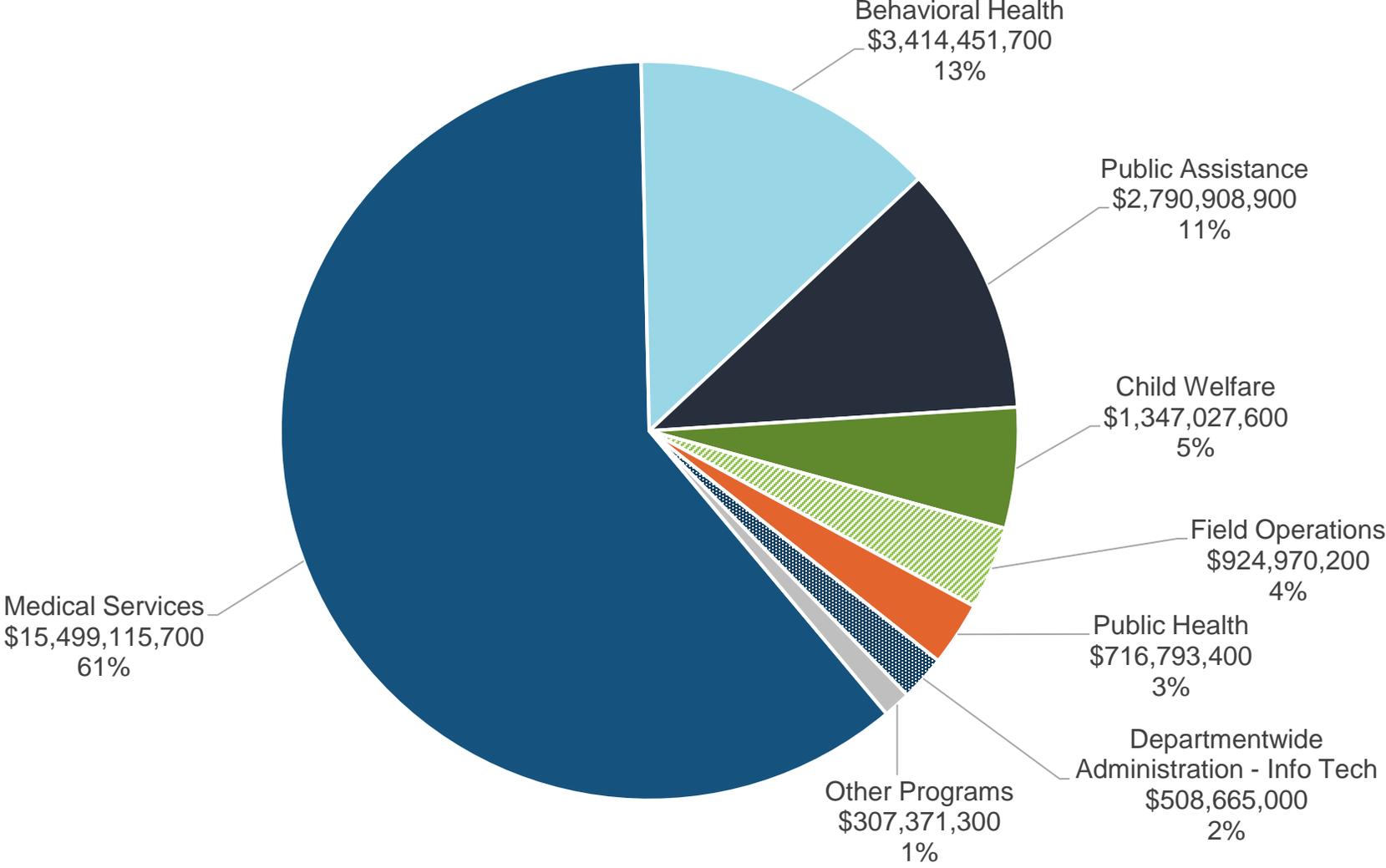
Field Operations: Local county and district DHHS offices, through which most DHHS programs and services are accessed; includes child support enforcement

Departmentwide Administration: Central administration, including information technology

Other: Community services and outreach; aging and adult services

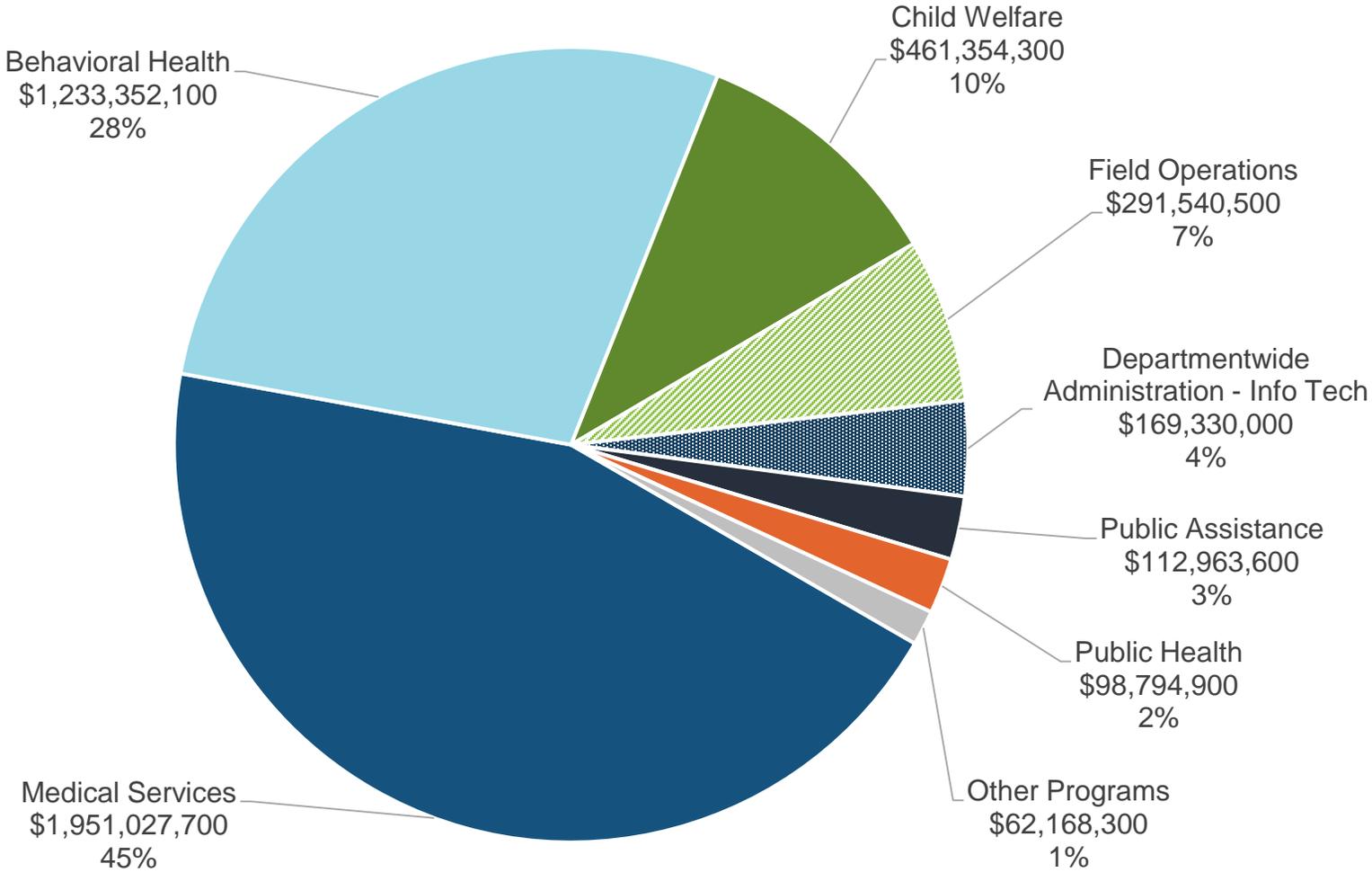
FY 2017-18 Gross Appropriations by Areas

About three-quarters of the **\$25.5 billion** DHHS budget supports medical and behavioral health services, most of which are provided through Medicaid and the Healthy Michigan Plan.



FY 2017-18 GF/GP Appropriations by Areas

GF/GP funds totaling **\$4.4 billion** are primarily appropriated for to support behavioral health services, medical services and child welfare programs.



For more information about the Health and Human Services budget:

Medicaid and Behavioral Health

Kevin Koorstra, Associate Director: kkoorstra@house.mi.gov

Briefing: http://www.house.mi.gov/hfa/PDF/Briefings/HHS_Medicaid_BudgetBriefing_fy17-18.pdf

Public Health, Aging and Adult Services, Departmentwide Administration

Susan Frey, Senior Fiscal Analyst: sfrey@house.mi.gov

Briefing: http://www.house.mi.gov/hfa/PDF/Briefings/HHS_PH_BudgetBriefing_fy17-18.pdf

Human Services

Viola Wild, Senior Fiscal Analyst: vwild@house.mi.gov

Briefing: http://www.house.mi.gov/hfa/PDF/Briefings/HHS_HS_BudgetBriefing_fy17-18.pdf

HFA Phone: (517) 373-8080

Other HFA Resources

<http://www.house.mi.gov/hfa/HealthandHumanServices.asp>