

The J.D. McCarty Center for Children with Developmental Disabilities (67000)

Lead Administrator: Victoria Kuestersteffen, Director/CEO

| FY'16 Projected Division/Program Funding By Source | | | | | | |
|--|--------------------|---------------------|--------------------|------------|------------------|---------------------|
| | Appropriations | Federal | Revolving | Local | Other* | Total |
| 01 General Operations | \$4,131,687 | \$14,765,507 | \$1,791,085 | | \$989,132 | \$21,677,411 |
| 88 ISD | | \$1,674,464 | | | | \$1,674,464 |
| 99 Capital Projects | \$194,285 | | | | | \$194,285 |
| | | | | | | \$0 |
| | | | | | | \$0 |
| | | | | | | \$0 |
| Total | \$4,325,972 | \$16,439,971 | \$1,791,085 | \$0 | \$989,132 | \$23,546,160 |

*Source of "Other" and % of "Other" total for each. Inpatient Commercial Insurance payments 11%, Outpatient Commercial insurance payments 28%, 6% sale of misc. services, 48% Contracted School Services, 7% Conference Center Event Rental (*Dept. 88 ISD increased by \$1.25 million to purchase Electronic Health Record.

| FY'15 Carryover by Funding Source | | | | | | |
|-----------------------------------|----------------|---------|-------------|-------|--------|-------------|
| | Appropriations | Federal | Revolving | Local | Other* | Total |
| FY'15 Carryover | \$150,136 | | \$5,299,043 | | | \$5,449,179 |

*Source of "Other" and % of "Other" total for each.
(Appropriations carryover was due to lower than expected construction costs, and are being used on direct and indirect patient care this FY)

| What Changes did the Agency Make between FY'15 and FY'16? | |
|--|--|
| 1.) Are there any services no longer provided because of budget cuts? | None at this time |
| 2.) What services are provided at a higher cost to the user? | None at this time |
| 3.) What services are still provided but with a slower response rate? | None at this time. |
| 4.) Did the agency provide any pay raises that were not legislatively/statutorily required? If so, please provide a detailed description in a separate document. | No pay raises were provided to any J.D. McCarty Center personnel in FY'16. Additionally prudent and responsible hiring decisions have been made and implemented in FY'16 resulting in an anticipated personnel savings of \$703,357. |

| FY'17 Requested Division/Program Funding By Source | | | | | | |
|--|--------------------|---------------------|------------------|------------------|---------------------|---------------|
| | Appropriations | Federal | Revolving | Other | Total | % Change |
| 01 General Operations | \$4,131,687 | \$14,765,507 | \$631,188 | \$989,132 | \$20,517,514 | -5.35% |
| 88 ISD | | \$1,674,464 | | | \$1,674,464 | 0.00% |
| 99 Capital Projects | \$194,285 | | | | \$194,285 | 0.00% |
| | | | | | | |
| Total | \$4,325,972 | \$16,439,971 | \$631,188 | \$989,132 | \$22,386,263 | -4.93% |

*Source of "Other" and % of "Other" total for each. Inpatient Commercial Insurance payments 11%, Outpatient Commercial insurance payments 28%, 6% sale of misc. services, 48% Contracted School Services, 7% Conference Center Event Rental

| FY'17 Top Five Appropriation Funding Requests | |
|---|-----------|
| | \$ Amount |
| | |

Total Increase above FY-17 Request

0

How would the agency handle a 5% appropriation reduction in FY'17?

Recognizing FY'16 would be a challenging budget year for Oklahoma, J.D. McCarty Center took preventive measures with the onset of the hospital's FY'16 budget. In FY'15, J.D. McCarty Center's revenue was negatively impacted by the 7.75% Medicaid provider rate cut equating to loss of \$998,568 dollars. Anticipating further provider cuts from the Oklahoma Healthcare Authority coupled with possible cuts in FY'16 appropriated funding, J.D. McCarty Center leadership implemented budget cuts effective July 1, 2015. J.D. McCarty Center cut its travel budget by 39% saving approximately \$18,000, non-emergency equipment purchases were cut saving \$206,000, marketing and public relations was cut by \$22,500 and maintenance was cut by \$174,000. All of the implemented cost savings strategies resulted in a total savings of \$420,500 or a 7% decrease of its total general operations budget from FY'15 to FY'16.

In addition to the above cuts, as positions have become vacant, J.D. McCarty Center has elected to keep the positions vacant, underfilled, or redesigned the position to a temporary position resulting in an anticipated \$703,356.83 in personnel savings in FY'16.

Lastly in FY'16, J.D. McCarty Center's Camp ClapHans, a camp program for children with developmental disabilities, will be funded through donated funds which results in a savings of over \$60,000.

Although not finalized as of November 16, 2015, the Oklahoma Healthcare Authority has announced their intent to implement an additional across the board 3% reduction in provider rates effective January 1, 2016. The 3% cut in provider rates will equate to a decrease of \$208,000 in J.D. McCarty Center's revenue for FY'16. Overall, the impact of Medicaid provider rate cuts has been tremendous on J.D. McCarty Center. If the proposed 3% provider rate cut is implemented, the McCarty Center will have seen its provider rate decrease by over \$100 dollars per day over the last two years which translates to a loss of nearly \$2 million dollars.

J.D. McCarty Center is currently using its revolving fund monies to fund the shortfalls created by Medicaid provider rate and appropriation cuts. In FY'15 the hospital finished the year with an operational deficit of \$817,451 which was covered by available monies in our revolving fund. Continued deficits created by additional cuts will be covered through the use of our revolving fund monies. J.D. McCarty Center's leadership with the approval of the Cerebral Palsy Commission has implemented cost containments and savings strategies along with increased efficiencies throughout the hospital to slow down the use of our revolving funds to enable this hospital to continue to provide services at its current level through these difficult budget years without having to request additional funding. If the trend of cutting continues, the McCarty center will eventually use all of our revolving money available and services will need to be significantly reduced or eliminated.

How would the agency handle a 7.5% appropriation reduction in FY'17?

See Above

How would the agency handle a 10% appropriation reduction in FY'17?

See Above.

Is the agency seeking any fee increases for FY'16?

| | \$ Amount |
|-------------------|------------------|
| None at this time | \$0 |
| | \$0 |
| | \$0 |

What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?

J.D. McCarty Center's top capital technology request is the procurement of an Electronic Health Record. The hospital has held on pursuing this project over the last several years due to the fiscal environment of the state. However, in September 2015, Spectron, the software vendor for J.D. McCarty Center's antiquated billing and financial system, ceased operations without prior notice. Due to this sequence of events, the procurement of an Electronic Health Record for the hospital has become an immediate and critical endeavor. Currently, J.D. McCarty Center has submitted an RFP to OMES ISD for an Electronic Health Record and is actively working with the Oklahoma Health Care Authority to secure federal dollars for reimbursement of this project.

Federal Government Impact

1.) How much federal money received by the agency is tied to a mandate by the Federal Government?

None

2.) Are any of those funds inadequate to pay for the federal mandate?

No.

3.) What would the consequences be of ending all of the federal funded programs for your agency?

As the J.D. McCarty Center does serve a majority medicaid population, 91% of our clients, ending the Medicaid program would force to reevaluate its core business model.

4.) How will your agency be affected by federal budget cuts in the coming fiscal year?

No effect currently.

5.) Has the agency requested any additional federal earmarks or increases?

No.

Division and Program Descriptions

01 General Operations

J.D. McCarty Center is the only specialized pediatric hospital in the state of Oklahoma that provides services tailored to the unique needs of children with developmental disabilities and their families. All services are developed to maximize every child's potential, promote family unity, community participation, independence and quality of life.

88-Information Technology

This division accounts for the Information technology budget of the McCarty Center.

99-Capital Assets

This Division houses all capital asset purchases or repairs

| FY'17 Budgeted FTE | | | | | | |
|--|-------------|------------|--------------|--------------|-----------------|-----------------|
| | Supervisors | Classified | Unclassified | \$0 - \$35 K | \$35 K - \$70 K | \$70 K - \$\$\$ |
| 01 General Operations 88 ISD 99 Capital Projects | 17 | 198 | 42.2 | 150 | 82 | 8 |
| Total | 17 | 198 | 42.2 | 150 | 82 | 8 |

| FTE History | | | | | |
|--|---|------------|------------|------------|------------|
| | 2016 Budgeted | 2015 | 2012 | 2009 | 2005 |
| 01 General Operations | 239.6* *8 positions being held vacant for fy16 | 235 | 240 | 212.00 | 144.25 |
| 88 ISD | 0 | 0 | 3 | 3 | 3 |
| 99 Capital Projects | 0 | 0 | 0 | 0 | 0 |
| 8 positions being held vacant for FY16 | | | | | |
| Total | 0 | 235 | 243 | 215 | 147 |

| Performance Measure Review | | | | | |
|--|--------|--------|--------|--------|--------|
| | FY'15 | FY'14 | FY'13 | FY'12 | FY'11 |
| To Enhance the Delivery of Cost Effective | | | | | |
| Quality of Care | | | | | |
| 1. Outpatient cost/encounter | 51 | 52 | 66 | 65 | 70 |
| 2. Inpatient daily costs | 1319 | 1281 | 1299 | 1,271 | 1,241 |
| 3. Staff retention and training/turnover rate | 31% | 35% | 27% | 39% | 25% |
| 4. Necessary training on site | 92% | 96% | 90% | 91% | 87% |
| Provide Better Service to Oklahoma's Unserved and Underserved Disabled Pop. | | | | | |
| 1. Number of counties served | 62 | 57 | 64 | 59 | 57 |
| 2. Total number of encounters (Key Performance Measure in FY'12) | 47,000 | 43,000 | 47,000 | 48,500 | 45,500 |
| Develop New Methods of Care Delivery and Markets to Grow Both Service and Revenue | | | | | |
| 1. Teletherapy schools | 4 | 5 | 6 | 8 | 8 |
| 2. Teletherapy encounters | 452 | 870 | 682 | 824 | 720 |
| 3. Conference center event days | 153 | 121 | 115 | 113 | 128 |
| 4. New therapeutic modalities/ Neuromuscular Electrical Stimulation units | 449 | 560 | 403 | 524 | 238 |
| 5. New therapeutic modalities/ Therapeutic Listening Units | 144 | 184 | 150 | 342 | 216 |
| Better Utilize Technology in Developing Innovative and Effective Methods of Care Delivery | | | | | |
| 1. Telesupport | 4 | 12 | 12 | 20 | 11 |

| Revolving Funds (200 Series Funds) | | | |
|---|------------------------|----------------------------|------------------|
| | FY'13-15 Avg. Revenues | FY'13-15 Avg. Expenditures | June '15 Balance |
| McCarty Center Handicapped Fund Revolving fund for center payments received for all services provided | \$17,101,560 | \$17,202,677 | \$6,027,058 |
| Gifts and Bequests Fund Fund setup to accept donations to the Center | \$46,555 | \$36,824 | \$212,349 |