

NH Budget - Status Quo

|   | 2011              | 2012 (actuals in BOLD) | 2013 (full year)  | 2014              | 2015              | 2016              | NOTES  |
|---|-------------------|------------------------|-------------------|-------------------|-------------------|-------------------|--|
| Personnel service individual                    | 11,332,424        | <b>10,730,618</b>      | 12,132,788        | 12,739,427        | 13,376,399        | 14,045,219        | Note - 2013 not reduced for legislative action. 5% growth per year, accounts for steps and minimal raises.   |
| Non-Individual                                  | 3,031,241         | <b>2,758,172</b>       | 3,012,940         | 3,163,587         | 3,321,766         | 3,487,855         | 5% growth per year   |
| Equipment                                       | 148,593           | <b>26,379</b>          | 60,695            | 310,695           | 310,695           | 60,695            | Considerable investments in equipment will be necessary (beds, kitchen equipment, etc.)  |
| Contractual                                     | 6,522,475         | <b>8,213,686</b>       | 5,976,786         | 6,275,625         | 6,589,407         | 6,918,877         | 5% growth per year   |
| Fringe  | 6,484,777         | 8,468,779              | 7,762,798         | 8,383,822         | 9,054,528         | 9,778,890         | 8% growth (SS grows with salary of 5%, retirement by 10% and hosp/med by 7.5% - Price-Waterhouse Coopers estimate medical inflation between 2010 and 2013)             |
| IGT Recoupment                                  |                   |                        | 4,836,461         | -                 | -                 |                   |  |
| Building Investment                             |                   |                        | 2,000,000         |                   |                   |                   | \$2.2 million included in the current capital plan   |
| Workers Comp (not included under NH in budget)  | 546,202           | <b>753,323</b>         | 781,949           | 811,663           | 842,506           | 874,522           | Assumes same growth as overall workers comp in 2013 Exec Budget proposal (3.8%)  |
| Retiree healthcare (not listed under NH budget) | 2,564,432         | 2,303,208              | 2,400,934         | 2,593,009         | 2,800,449         | 3,024,485         | Like regular health insurance premiums, also growing at 8%. The existing cohort of retirees will become less expensive to insure as they become eligible for Medicare. |
| <b>TOTAL COSTS</b>                              | <b>30,630,144</b> | <b>33,254,164</b>      | <b>38,965,351</b> | <b>34,277,828</b> | <b>36,295,750</b> | <b>38,190,542</b> |  |
| Medicaid  | 15,199,813        | 12,078,807             | 10,979,000        | 10,979,000        | 10,979,000        | 10,979,000        | Increased reimbursement rates have been phased out. Given Medicaid Managed Care, keeping revenues stable is optimistic.  |
| Other   | 5,032,010         | 6,585,429              | 7,439,423         | 7,811,394         | 8,201,964         | 8,612,062         | Assumes 5% growth. Includes repayments, private insurance, medicare part A and B, and other misc revs.   |
| IGT   | 6,100,000         | <b>3,466,865</b>       | 4,338,215         | -                 | -                 |                   | IGT is expiring.   |
| Local IGT share (in DSS budget)                 | (2,326,540)       | <b>(1,331,622)</b>     | (2,094,490)       | -                 | -                 |                   | There is a local share of the IGT payment  |
| Adjustments from Prior Years                    | (3,000,000)       |                        |                   |                   |                   |                   |  |
| <b>Revenues (less IGT DSS share)</b>            | <b>21,005,283</b> | <b>20,799,479</b>      | <b>20,662,148</b> | <b>18,790,394</b> | <b>19,180,964</b> | <b>19,591,062</b> |  |
| <b>NET COUNTY SHARE</b>                         | <b>9,624,861</b>  | <b>12,454,685</b>      | <b>18,303,203</b> | <b>15,487,434</b> | <b>17,114,786</b> | <b>18,599,480</b> | 2013-2016 (4 years) will still cost county \$70M   |

\*The longer the NH is operated by the County, the more retirees will be eligible for health care and the more legacy costs will accrue. Smaller increase in 2013 is b/c MVP actually decreased this year. This cannot be expected to occur in the future.

\*\*The estimates included in this proposal are meant to provide a fair approximation of future nursing home costs. In 2013 and beyond, costs and revenues are estimated conservatively so as not to overstate the savings that can be achieved.