

Agency Name: Department of Human Services													Agency Number: 10000				
2009 - 2011 Biennium													Appropriation Name: Seniors & People with Disabilities - GF Appropriation			87501	
Detail of Allotment Reduction to 2009 - 11 Legislatively Approved Budget Level																	
3	4	5				6	7	8	9	10	11	12	13	14	15	16	
Line #	Dept. Initials	Prgm. or Activity Initials	Program Unit/Activity Description				GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Impact of Reduction on Services and Outcomes	Implementation Date
1	DHS	SPD	Projected GF savings if federal ARRA FMAP rate is extended from 1/1/11 through 6/30/11. If this occurs, an additional \$63.1 million of federal Medicaid funds would be received to fund the projected Medicaid program costs in the DHS Seniors & People with Disabilities (SPD) division.				-	-	-	-	-	-	\$ -	-	-	This would not affect DHS - Seniors and People with Disabilities programs in 2009-11 other than shifting more of the cost to the federal Medicaid program. It would, however, increase the fund shift needed for 2011-13 from federal funds to general funds when the ARRA ends in June 2011. It increases the GF problem anticipated for 2011-13.	1/1/2011
2	DHS	SPD	Savings from reducing the budgeted PEBB increase from 9% to 5%.				(96,464)	-	(2,503)	-	(171,243)	-	\$ (270,210)	-	-	The Governor has asked the Public Employees Benefit Board to hold second year benefit plans to a five percent increase rather than a nine percent increase. Assumes seven month reduction in benefits.	1/1/2011
3	DHS	SPD	Expand salary freeze on management and executive positions for remainder of biennium				(24,892)	-	-	-	(43,072)	-	\$ (67,964)	-	-	Extend management Service Salary Freeze - Removes step increase scheduled for second year.	1/1/2011
4	DHS	SPD - APD	Eliminate Title XIX Medicaid Home Delivered Meals Program. Federal guidelines require notice and/or approval from the Centers for Medicare and Medicaid Services (CMS) and sufficient notification to clients prior to program end.				(739,196)	-	(33,611)	-	(1,332,485)	-	\$ (2,105,292)	-	-	Would eliminate the Title XIX Medicaid home-delivered meal benefit affecting approximately 940 seniors and people with physical disabilities each month. Outcome: Services could possibly shift to natural supports or to Home Care Workers to assist client and to Older Americans Act home delivered meals.	10/1/2010
5	DHS	SPD - APD	Eliminate Oregon Project Independence (OPI), which is funded by General Fund. Program is a cost-effective strategy to prevent or delay individuals from unnecessarily leaving their homes and receiving services in a more expensive facility-based setting. Eligible clients are either 60 and older or people regardless of age, who have been diagnosed with Alzheimer's or a related dementia disorder.				(7,612,665)	-	-	-	-	-	\$ (7,612,665)	-	-	Oregon Project Independence (OPI) served 2,000 older Oregonians last year. Clients are 60 years and older or have been diagnosed with Alzheimer's or related dementia disorder. Outcome of this reduction is that there may be an increase in Medicaid Long-term service clients and may necessitate others no longer being able to remain in their own homes. Implementation of this reduction will require notification to Area Agencies on Aging who are responsible for notification to clients and service providers.	8/1/2010
6	DHS	SPD - APD	Eliminate Medicaid Personal Care Program, which provides the cost of services, up to 20 hours per month. Requires notification to the Centers for Medicare and Medicaid Services (CMS) and sufficient notification to clients prior to program end.				(762,898)	-	-	-	(1,612,807)	-	\$ (2,375,705)	-	-	Impact: Nearly 1,200 Oregonians (882 aged and physically disabled clients and 292 developmentally disabled clients) receive this service at an average cost of \$250 monthly. Reduction would eliminate in-home personal care services that help maintain independence and dignity, such as bathing, eating, dressing, and mobility. Implementation of this reduction will require notification to clients, as well as notification to the Centers for Medicare and Medicaid Services (CMS).	8/1/2010
7	DHS	SPD - DD	Eliminate Developmentally Disabled (DD) Family Support Program (DD 150). This is a non-mandated caseload funded with 100% General Fund. Family Support service help with some of the extraordinary costs that families have in raising a child with a developmental disability such as special equipment, respite, and in home supports. Requires sufficient notification to clients prior to reductions.				(1,800,000)	-	-	-	-	-	\$ (1,800,000)	-	-	This reduction would eliminate services to an estimated 1,140 families of children with developmental disabilities. The Family Support programs assisted a family in managing the supports of their child and the stress of care taking. Funds were primarily used for family respite, equipment, and in-home care.	

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8	DHS	SPD - DD	Reduce Targeted Case Management by 10% for Community Developmental Disability Programs (CDDP) and Brokerages (personal agents for clients). Federal guidelines require notice and/or approval from the Centers for Medicare and Medicaid Services (CMS).				(1,003,658)	-	-	-	(1,657,049)		\$ (2,660,707)	-	-	Counties and Support Service Brokerages are responsible for case management to all 18,000 plus children and adults with developmental disabilities. Targeted Case Management is part of Oregon's Medicaid State Plan and will require approval from CMS to make reductions in the funding formula. Case managers are responsible for assessing needs, finding resources, developing Medicaid approved plans of care, monitoring services, providing crisis response planning, and assisting in protective services as a result of substantiated abuse. A statewide calculation of a 10% reduction would result in a loss of 35.47 FTE from counties and 23.42 from Brokerages. However, for many counties who have only 1 to 2 FTE, this reduction could be much deeper. Case managers will have to prioritize client health and safety and could jeopardize Medicaid compliance assurances. Implementation of this reduction will require notification to the Centers for Medicare and Medicaid Services (CMS).	10/1/2010
9	DHS	SPD - DD	Reduce Community Developmental Disability Programs Administration budget by 10%.				(274,307)	-	-	-	(274,318)		\$ (548,625)	-	-	This reduction would require the counties to operate all programs for services to people with developmental disabilities but at 85% of what it would cost if the state were operating the programs (the LAB assumes they operate at 95% what it would cost the state). Included in the administrative costs are staff needed to determine eligibility for developmental disability services, licensing for foster providers, providing fiscal intermediary services for many persons in the in-home program as well as general administration such as HR, facilities, insurance and other operating costs. This reduction could result in delays in eligibility and licensing and result in the loss of the equivalent of 8.99 FTE.	7/1/2010
10	DHS	SPD - DD	Reduce Brokerage Administration budget by 10%				(109,272)	-	-	-	(218,367)		\$ (327,639)	-	-	There are twelve Support Services Brokerages who are responsible for the delivery of supports to 6,910 adults with developmental disabilities living primarily with families, as a result of the Staley Law Suit settlement. Administration for Brokerages is approved under a Medicaid Home and Community Based Service Waiver and as such will require Medicaid approval to alter the funding formula. Along with general administration of Brokerage case managers (personal agents), the Brokerage administration is responsible for providing or contracting all Fiscal Intermediary functions (paying for in home workers, contractors, equipment, respite, etc). This reduction is equivalent to 7.39 FTE. Implementation of this reduction will require notification and/or approval from the Centers for Medicare and Medicaid Services (CMS).	10/1/2010

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11	DHS	SPD - DD	Reduce Community Developmental Disability Programs and Brokerages - Quality Assurance budgets by 10% .	(168,657)	-	-	-	(183,934)		\$ (352,591)	-	-	This is a reduction to the percentage the state pays to local programs for quality assurance services. Currently the state pays 9% of the cost. This lowers percentage to 85%. This service provides data and information the state is required to have to demonstrate to CMS our compliance with the two Medicaid Home and Community Based Waiver programs. This includes tracking of incident reports, abuse investigation outcomes and actions, provider monitoring, and tracking and resolving client grievances. The reduction in this activity will require CMS approval. A 10% reduction is equivalent to 6.62 FTE in the counties and 1.13 FTE in Brokerages. However for counties and Brokerages that had less than 1 FTE (such as a 5 FTE) this could result in deeper staff reductions.	10/1/2010	
12	DHS	SPD - Program Support	Reduce second year of funding of Transfer AAA Allocation by 5%.	(1,446,732)	-	-	-	(1,274,754)		\$ (2,721,486)	-	-	Reduce second year of Transfer AAA Allocation by 5%. Adjusts funding for Transfer Area Agencies on Aging (AAA) that provide senior services to 85% of state-level funding for these services, down from 90%. This will translate into likely staffing reductions for these programs. (Does not include SNAP bonus funds which are to be spent by June 30, 2011 nor local matching funds already approved.) Based on the funding models used to provide funding allocations for staffing this reduction is equivalent to 48.91 FTE for AAAs.	7/1/2010	
13	DHS	SPD - Program Support	Fund Shift for Facility Complaint Staffing - General Fund offset resulting from fact that some staff conduct complaint investigations on Medicaid-eligible facilities and/or clients, and are therefore eligible for title XIX funding.	(823,087)	-	-	-	823,087		\$ -	-	-	This reduction will use Medicaid matching funds when conducting complaint investigations for some staff currently funded 100 % by the General Fund.	7/1/2010	
14	DHS	SPD - APD	In-Home Care Program: Reduce authorized Instrumental Activities of Daily Living (IADL) hours (meal preparation, housekeeping, etc) by 75%.	(8,215,534)	-	(894,647)	-	(16,598,066)		\$ (25,708,247)	-	-	An estimated 10,500 clients would lose personal assistance with meal preparation, house-keeping, shopping, etc. (IADLs) by 75%. While there may be some savings due to lower Home Care Worker insurance enrollment, as a result of this reduction in available hours, said savings cannot be estimated at this time. Some clients may no longer be able to live independently in their own homes and may seek care in nursing facilities or other care settings. Implementation of this reduction will require notification to clients, as well as notification and/or approval from the Centers for Medicare and Medicaid Services (CMS).	10/1/2010	
15	DHS	SPD - DD	Reduce Developmental Disability (DD) Comprehensive Service Rates for adult services in residential facilities, supported living, transportation, and children's services in residential facilities, foster homes and proctor foster homes by 6%, and adult employment and community inclusion services by 4%. Implementation of this reduction will require notification to providers, as well as notification and/or approval from the Centers for Medicare and Medicaid Services (CMS).	(4,901,982)	-	(71,882)	-	(9,339,750)		\$ (14,313,614)	-	-	Rates for service providers for people living outside of their family homes will be reduced by 6%. This includes group homes, supported living, children's residential group homes and proctor care and children's foster care. This excludes adult foster care due to the collective bargaining agreement. There are approximately 3,700 people receiving these services and employment providers were reduced by 2% during the February 2010 session and will be reduced another 4%. There are 4,086 people effected by the employment rate reduction. All of these programs are part of the Medicaid Home and Community Based Waiver program and will require approval from CMS to alter the funding formula.	10/1/2010	

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16	DHS	SPD - APD	Community Facilities Payment Reduction. Reduce Regular Residential Care, Contract Residential Care, and PACE rates by 6% effective 2/1/2011. Relative Foster Care, Commercial Foster Care and Assisted Living Facilities are excluded from this rate reduction. Implementation of this reduction will require notification and/or approval from the Centers for Medicare and Medicaid Services (CMS).				(885,268)		-		(1,467,694)		\$ (2,352,962)	-	-	Reduces rates paid for over 3,100 individuals served in residential care facilities and the PACE program. This includes individuals served in Memory Care Communities (Alzheimer's Care Units), Adult Foster Homes are excluded due to collective bargaining for this provider group. Access to these community based care options is already strained because Medicaid clients compete with the private pay market; this reduction increases that strain and may further limit community based care access resulting in more costly nursing facility placements.		10/1/2010
17	DHS	SPD - DD	Reduce Developmental Disability Programs Special Projects & Training Budget				(300,000)		-				\$ (300,000)	-	-	The special projects and training budgets are used for training staff and providers. This includes mandatory training on supporting people who become physically aggressive to themselves or others.		7/1/2010
18	DHS	SPD - DD	Reduce Crisis Diversion Services for Clients with Developmental Disabilities. This is a 3.5% reduction in Crisis Services. Implementation of this reduction will require notification and/or approval from the Centers for Medicare and Medicaid Services (CMS).				(354,195)		-		305,568		\$ (48,627)	-	-	Crisis Diversion services are resources that are required when an adult or child with developmental disabilities is experiencing a crisis in their family home, foster care home or group home and is in jeopardy of losing placement. The services include staffing, consulting or short term out of home stay while the individual stabilizes. This reduction would require additional limitations on what can be purchased and for how long. Since most every area of Developmental Disabilities are impacted by service reductions, the potential for family and personal crisis will increase so there is a risk that new limits of services will still not meet increased demand. Implementation of this reduction will require notification and/or approval from the Centers for Medicare and Medicaid Services (CMS).		10/1/2010
19	DHS	SPD - DD	Eliminate In-Home Supports for Children with Developmental Disabilities. The purpose of DD 151 services is to maintain the child in, or return the child to, the family home from community placement resulting from a crisis.				(2,105,515)		-				\$ (2,105,515)	-	-	This program has funded 311 children to have in-home supports. To be eligible for the program the family must have been in crisis in supporting their child. Without this program families may have to consider placing children within the Child Welfare system or in residential care (e.g., foster care or residential care). The typical profile of families receiving these services are single parents or grandparents caring for multiple children where one or more child in the home has a developmental disability. The needs of the children often are due to the child's aggressive or demanding behaviors or the child's medical fragility. Families in this program are typically getting some monthly respite, in home staffing and behavior consultation. This program is not covered under the Home and Community Based Waiver program and typically less than 30% of the families would qualify for Medicaid, so this program is 100% General Funds.		9/1/2010

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20	DHS	SPD - DD	Eliminate remaining Community Developmental Disability Programs and Brokerages - Quality Assurance budgets. Implementation of this reduction will require notification and/or approval from the Centers for Medicare and Medicaid Services (CMS).				(1,506,365)	-	-	-	(1,775,636)		\$ (3,282,001)	-	-	Quality Assurance requirements are met by staff at the counties or brokerage who are responsible for tracking of incident reports, abuse investigation outcomes and actions, provider monitoring, and tracking and resolving client grievances. They are also responsible for provider capacity development. These staff have been providing the data and information the state is required to have to demonstrate to CMS our compliance with the two Medicaid Home and Community Based Waiver programs. The reduction in this activity will require CMS approval and require the state to identify how we will meet the Waiver assurances of client health and safety. This reduction is the equivalent of 35.38 FTE from CDDP and 20.87 FTE from Brokerages. Implementation of this reduction will require notification and/or approval from the Centers for Medicare and Medicaid Services (CMS).	10/1/2010
21	DHS	SPD - APD	Community Facilities Payment Reduction: Change reimbursement system for Assisted Living Facilities to a flat payment amount of \$1,696 per month. This rate equates to a net 15% rate reduction for the 4,000 individuals served in assisted living facilities. Over 18% of the individuals will have a rate higher than is being paid today, while the remaining 82% will experience a rate decrease. Other Community Facility payment rates are not affected by this option. Implementation of this reduction will require notification and/or approval from the Centers for Medicare and Medicaid Services (CMS) and require Emergency Board approval.				(3,651,105)	-	-	-	(7,144,793)		\$ (10,795,898)	-	-	Reduces rates paid for over 3,400 individuals served in assisted living facilities. Adult Foster Homes are excluded due to collective bargaining for this provider group. Access to these community-based care options is already strained because Medicaid clients compete with the private pay market and in the past, assisted living providers have chosen to stop serving Medicaid. This reduction increases that strain and may further limit community based care access resulting in more costly nursing facility placements. Implementation of this reduction will require notification and/or approval from the Centers for Medicare and Medicaid Services (CMS).	10/1/2010
22	DHS	SPD - APD	Nursing Facility Payment Reduction - Further limit administrative and property costs components used in the rate setting formula. Resulting daily rate of \$195.70 is a 7.7% reduction from scheduled rate of \$212.12 per day. The effective date is October 1, 2010. Implementation of this reduction will require notification and/or approval from the Centers for Medicare and Medicaid Services (CMS).				(5,509,600)	-	-	-	(12,716,528)		\$ (19,193,580)	-	-	Reduces payment rates for 82 nursing facilities serving more than 2,800 people. Financial impact on facilities will vary greatly from one to another. Implementation of this reduction will require notification and/or approval from the Centers for Medicare and Medicaid Services (CMS).	10/1/2010
23	DHS	SPD - DD	Reduce Community Developmental Disability Programs Regional Programs budget by 10%				(152,082)	-	-	-	(146,115)		\$ (298,197)	-	-	Adjusts the funding to CDDP's to 85% of what it would cost the state to operate the program. There are five Regional Crisis Programs that support 32 counties. These staff responds to adults and children in crisis that could result in out of home placements or court commitments. They provide behavior consultation or connect provider or families with resources. They develop short term out of home placement and negotiate with providers for long term care needs. Each region has an average of four staff. This reduction is the equivalent of 6.52 FTE. This reduction will mean people remaining in crisis or going to jail or psychiatric hospitals as a means of responding to behaviors.	10/1/2010

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24	DHS	SPD - DD	Reduce DD Housing Extended Maintenance				(1,000,000)	-	1,000,000	-	-	-	\$ -	-	-	In 09-11 the ODDS Housing Program provided additional funds to begin a preventative maintenance program (systematic replacements of roofs and windows, exterior painting, etc.) for the 200 plus CIP group home facilities managed by the program. This allocation was an addition to funds normally budgeted for on-going general maintenance and repair. To achieve the \$1M savings, the housing program will stop implementing the preventative maintenance schedule based on this biennium's prior approved plan. The negative impact will be the delay of needed major repairs to these group home facilities.	10/1/2010
25	DHS	SPD - DD	Adjust Case Management ratios for children with developmental disabilities to 1:300. The current ratio is 1:45. Case managers are responsible for assisting families to find resources that meet their children's needs, plan during crisis, assure they are connected to health insurance options, and provide protective services as a result of substantiated abuse. Implementation of this reduction will require notification and/or approval from the Centers for Medicare and Medicaid Services (CMS).				(1,329,530)	-	-	-	(2,016,616)	-	\$ (3,346,146)	-	-	Case managers are responsible for assisting families to find resources that meet their children's needs, plan during crisis, assure they are connected to health insurance options, and provide protective services as a result of substantiated abuse. This would require significant lay offs in the counties - the number of case managers drops from an estimate 112.54 FTE to 16 FTE. With the elimination of Family Support and the In Home Program for Children, the case manager would only be available to children in out of home placements and then, only once a year contact for plan authorization. Counties may decide to turn the entire DD program back to the state to operate. Implementation of this reduction will require notification and/or approval from the Centers for Medicare and Medicaid Services (CMS).	10/1/2010
26			MEMO ONLY - Staffing/Administrative Actions				-	-	-	-	-	-	\$ -	(67)	(64.74)	SPD Division management actions in the form of position freezes for selected non-direct service positions and timing of hiring for positions turning over, have allowed the division to implement prior reductions in the amount of \$7,127,794 (45 positions), and to further project savings in the amount of \$3,466,054 (22 positions) for the remainder of the biennium. A large portion of SPD's field related work is done through funding provided to local Community Developmental Disability Programs (CDDP's), Transfer AAA's, and Brokerages it is important to note as referenced above the associated funding to these entities would result in additional estimated impact of like positions (145.07 FTE and 362 positions.)	
<b>June 2010 Allotment Reductions</b>						<b>(44,773,004)</b>	<b>-</b>	<b>(970,095)</b>	<b>-</b>	<b>(56,844,572)</b>	<b>-</b>	<b>(102,587,671)</b>	<b>(67)</b>	<b>(64.74)</b>			
<b>SEPTEMBER 2010 ALLOTMENT REDUCTIONS:</b>																	
1	DHS	SPD	ARRA Savings: Reduced General Fund need resulting from the enhanced Federal ARRA FMAP rate extension (from 1/1/11 through 6/30/11). This enhanced rate was to expire January 31, 2010, however it has been extended through June 2011. This extension will result in an additional \$41.6 million of federal Medicaid dollars to fund Medicaid long term care program costs in the DHS Division of Seniors & People with Disabilities (SPD). The department will use these additional federal dollars in lieu of General Fund to achieve the GF allotment reduction requirement for this appropriation.				(33,399,911)	-	-	-	33,399,911	-	\$ -	-	-	This would not affect DHS - Seniors and People with Disabilities programs in 2009-11 other than shifting more of the cost to the federal Medicaid program. It would, however, increase the fund shift needed for 2011-13 from federal funds to general funds when the ARRA ends in June 2011. It increases the GF problem anticipated for 2011-13.	
<b>September 2010 Allotment Reductions</b>						<b>(33,399,911)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,399,911</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>TOTAL</b>						<b>(78,172,915)</b>	<b>-</b>	<b>(970,095)</b>	<b>-</b>	<b>(23,444,661)</b>	<b>-</b>	<b>(102,587,671)</b>	<b>(67)</b>	<b>(64.74)</b>			

Current Biennial Appropriation

1,022,360,091

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			Appropriation Reduction Target #1	(44,766,287)											
			Appropriation Reduction Target #2	(33,399,911)											
			Total reductions	(78,166,198)											
			Difference	6,717											