

**DEPARTMENT OF HUMAN SERVICES  
REQUIRED LIST OF POTENTIAL REDUCTION OPTIONS  
2009-11 AGENCY REQUEST BUDGET**

ITEM #	DIVISION	REDUCTION OPTION DESCRIPTION	STATE FUNDS (General fund & Lottery fund)	OTHER FUNDS (Limited)	Federal Funds (Limited)	Total Funds	POS	FTE
1	HS-DMAP	<b>Reduce the DRG hospital component of the capitation rates from 100% to 90% of cost.</b>	(24,872,303)		(43,057,669)	(67,929,972)		
2	HS-DMAP	<b>Allow for the PDL to be enforceable.</b> The most effective way to produce prescription drug cost savings is to allow DMAP to enforce its Prescription Drug List (PDL) through the use of prior authorization (PA). A PA enforced PDL with appropriate safeguards in place increases prescription drug savings in two ways. First, it increases the utilization of the preferred drugs that have been found to be the most cost-effective while also judged to be efficacious based on a review of the clinical evidence available. Second, it provides additional incentives to drug manufacturers to provide more aggressive supplemental rebates since an enforced PDL is more effective than a voluntary PDL at increasing market share for the drugs included on the PDL.	(2,190,684)	779,476	(2,465,157)	(3,876,365)		
3	HS-DMAP	<b>Add mental health drugs to the enforceable PDL.</b> This reduction would add mental health drugs to the Prescription Drug List (PDL) and eliminate copays for preferred mental health drugs. There are no limitations on access to prescriptions for this reduction option. Before being placed on the PDL, drugs are subjected to rigorous evidence review. Thereafter, prescribing and patient utilization behaviors are managed by prospective and retrospective drug utilization reviews and provider education. This action would subsequently add market leverage to get higher amounts of supplemental rebates that are currently not possible. Mental health drugs are estimated to be associated with an additional \$800,000 in supplemental rebates collected annually.	(7,220,325)	467,660	(11,795,835)	(18,548,500)		

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4	SPD	<b>Eliminate HUBB overpayment of Health Care Benefits premium paid to HUBB for HCW health insurance premium-</b> This eliminates the HUBB reserve process. Currently DHS pays HUBB for health care premium estimates provided by HUBB for Home Care Workers. The current process, overpays the premium net of actual payment HUBB pays insurance carriers for coverage an estimated \$125,000 per month. This \$125,000 is above cost and is not an allowable practice under federal guidelines. The HUBB has accumulated a reserve of approximately \$7 million TF over the past four years. This reduction assumes the overstatement of the need for premium payment will be discontinued and payment of premium payments will be based on actual premium payment. This will save approximately \$125,000 per month. (Details need to be worked out with HUBB and AG office)	(1,108,500)		(1,891,500)	(3,000,000)		
5	SPD	<b>Reduce HCW training budget for HCW training by 50%-</b> 2005-07 and 2007-09 the HCW training budget has not been spent. This reduces the current \$2.7 GF HCW training budget by 50%.	(1,350,000)			(1,350,000)		
6	SPD	<b>Reduce or eliminate PSRB Impacts:</b> Reduce current capacity expectations of 9 Kerr Model clients to 5 and retain 1 capacity of Farm Home Model due to slower program implementation than originally legislatively approved. Reduces children's residential, local authority and case management but retains staffing and all other costs. Currently there are clients in the program but due to special needs and circumstances are currently being served by mental health so none have entered to PSRB program as originally set up and approved. This recognizes the savings in 2007-09 and carries the savings into the 2009-11 biennium.	(591,230)		(943,635)	(1,534,865)		
7	SPD	<b>RSVP: Eliminate Retired Senior Volunteer Program (RSVP) pass through funding -</b> a 24 month program elimination July 2009.	(275,000)			(275,000)		
8	All but ASD	<b>ADMIN: Reduce Personal Services budget by 2%-</b> a reduction across all DHS division administrative Personal Services budgets excluding Institution budgets and direct service staff positions (also excludes ASD which has provided specific reduction options).	(2,500,984)	(858,268)	(3,495,852)	(6,855,104)		

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9	All but ASD	<b>ADMIN: Reduce S&amp;S Administrative Budgets by 1%</b> - a reduction across all DHS division administrative Service and Supply budget except ASD which has provided specific reduction options.	(1,423,908)	(332,036)	(2,354,736)	(4,110,680)		
10	All but ASD	<b>Delay COLA increases within DHS control</b> - COLA increases for program service provider contracts would be delayed to start January 2010 rather than July 2009.	(11,360,313)	(1,051,356)	(17,637,728)	(30,049,397)		
11	ASD	<b>ADMIN: Reduce IT Expendable Property by 10%:</b> A loss of resources would result in delays in computer replacement schedule	(515,647)	(303,070)	(982,056)	(1,800,773)		
12	DHS Wide	<b>ADMIN: Reduce Attorney General by 10%:</b> Target reduction to reduce the use of AG services during the 2009-11 biennium. Includes stricter control over initiating consultation services.	(1,561,235)	(73,262)	(1,532,403)	(3,166,900)		
13	ASD	<b>ADMIN: Eliminate additional funding received in EBL for Phase In S &amp; S:</b> Removes the exception EBL package "roll-up" S&S costs associated with Policy Packages implemented in 2007-09.	(607,825)	(9,730)	(677,415)	(1,294,970)		
14	SPD	<b>Restructure and Reduce Employed Persons with Disabilities (EPD) Program</b> - Originally in 1999 was designed as a program for in-home clients who needs some supports to enable them to be employed outside the home. Currently, 912 clients, of which half are DD, are served by a "sheltered employment" program. Policy discussion on continuation and purpose of this program. 21 month implementation for the reduction.	(3,093,052)		(3,862,740)	(6,955,792)		
15	HS-DMAP	<b>Reduce the DRG hospital component of the capitation rates from 90% to 80% of cost.</b>	(24,872,303)		(43,057,669)	(67,929,972)		

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16	SPD	<b>Reduction of General Fund to DD Housing Fund in Base Budget</b> - The GF provides funding to the DD Housing Fund each biennium. Currently the Housing fund Base Budget is \$9.7 million. An adjustment to recognize and additional \$2.4 million in prior fund balance and interest will increase the Base Budget to \$12 million in the Fall 08 Rebalance. The program has not indicated a strong plan to expend the \$9.7 in current reserves and maintenance resources. GF support for the program can be reduced.	(2,500,000)			(2,500,000)		
17	HS-DMAP	<b>Limit OHP Plus adult dental, except pregnant women.</b> This reduction option would limit dental services for all non-pregnant adults, 21 and older, receiving benefits under the OHP Plus Benefit package. Adult clients would still be eligible for diagnosis, prevention, basic restorations such as fillings, and partial dentures. These clients would no longer receive most advanced restorative services and would have additional limitations placed on remaining advanced restorative procedures.	(4,291,425)		(7,313,294)	(11,604,719)		
18	CAF	<b>Eliminate ERDC eligibility for self-employed clients</b> - Currently there are approximately 146 self-employed families who would lose access to subsidized child care if this action is implemented. This policy assumes that self-employed clients have more flexibility in working around children's schedules and in dealing with child care issues than those who are not self-employed. [This action will result in an inability to achieve the Maintenance of Effort requirement for the TANF grant.]	(1,812,668)		(34,114)	(1,846,782)		(0.60)
19	SPD	<b>Eliminate HCW Health Benefits for less than 30 work week (120/Month)</b> - Currently HCW receive full health benefits if they work (in two months, consecutive months a total combined 80 hours) which works out to 20 hours a week minimum- they receive full medical coverage. State workers have to work a minimum of 20 hours and pays a pro-rated amount for less than full-time. This would eliminate medical coverage for less than 30 hour work week and establish a pay in prorated benefits per minimum work week based on hours worked- <i>example work 75% of the time, received 75% coverage, must pay for 25%.</i>	(22,010,393)		(37,509,329)	(59,519,722)		

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20	CAF	<b>Reduce Post-TANF Payment by \$25</b> This reduction changes the monthly Post-TANF stipend amount from \$150 to \$125. This action may cause a small reduction in the number of families choosing to apply for Post TANF after leaving Pre-TANF and TANF due to employment. [This action will result in an inability to achieve the Maintenance of Effort requirement for the TANF grant.]	(1,974,000)			(1,974,000)		
21	PHD	<b>Reduce Family Planning Expansion Program (FPEP)</b> This program has a 9:1 Federal/State Match. Cuts birth control for low income women, including teens, resulting in unplanned pregnancies, which will drive cost increase in variety of health and social services. Reduces resources available to local providers, mainly count health departments.	(1,400,000)		(12,600,000)	(14,000,000)		
22	AMH	<b>Cut Supported Employment - SE 38.</b> Cut Supported Employment Services to 280 people per year. Loss of these services means that people with mental illness won't be able to find jobs, learn the skills needed to get and keep jobs. Without the benefits of work some will have trouble managing their illness and may require more intensive levels of care including state hospital services. This cut jeopardizes the MH Block Grant MOE requirements.	(1,000,000)			(1,000,000)		
23	SPD	<b>SPD Transfer AAA APD Field Structure-</b> Transfer AAAs participation in a hiring freeze for the 2009/2011 biennium except for critical need and direct care positions. Assumes 3% savings of SPD average salary costs of \$83.5 million or \$2.5 TF. This is a one-time savings for 6 month savings starting 7/1/09 for \$625,000 TF.	(312,500)		(312,500)	(625,000)		
24	HS-DMAP	<b>Establish additional coverage limitations for crowns and dentures and establish other efficiencies.</b> (if clinically appropriate) * This reduction option would put additional coverage limitations into place for crown and denture services (in addition to those limitations already in administrative rule) for clients receiving benefits in the Oregon Health Plan Plus Benefit package.	(550,454)		(938,065)	(1,488,519)		

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25	CAF	<b>Reduce State Family Pre-SSI staffing</b> by adjusting the staffing standard for Pre-SSI cases from 85/1 to 130/1 in the SFPSS program. This action aligns actual workload and projected program caseload for this new program. This action should not adversely affect the program outcomes.	(200,503)	(198,957)	(399,460)	(798,920)		(2.64)
26	HS-DMAP	<b>Eliminate remaining dental for OHP Plus adults, except pregnant women.</b> This reduction option would eliminate all dental services for non-pregnant adults, ages 21 and older who are covered under the OHP Plus and Standard Benefit packages.	(22,862,032)		(38,960,662)	(61,822,694)		
27	CAF	<b>Eliminate System of Care program (excluding HB3075 funding for court ordered school transportation).</b> System of Care flexible funding is used to address safety, permanency, and well-being issues related to children in the Child Welfare system. It is currently used for many basic services such as transportation, family based services, etc. due to budget shortfalls in other areas. Elimination of this funding could potentially result in increased length of stay in foster care. SOC GF is used to match Chafee federal funds and IV-B Part 1 match funds. Will impact POP 106.	(1,696,713)	(278,277)	(3,293,543)	(5,268,533)		
28	PHD	<b>Reduce School Based Health Center (SBHC) Expansion Grants</b> - The School Based Health Center Program (SBHC) is a public health system that improves access to primary and preventive health care to school-aged youth. By the end of the 2007-2009 biennium, there will be 24 such systems currently funded in Oregon. The elimination of expansion dollars for additional SBHCs in communities of need would not reduce the barriers that exist for uninsured and underinsured school-age youth to have access to health care services.	(900,000)			(900,000)		
29	HS-DMAP	<b>Limit OHP Plus adult vision services.</b> This reduction option would eliminate routine vision coverage for all OHP Plus non-pregnant adults, age 21 and older. Only a very limited number of clients in this group would qualify for vision coverage due to medically necessary diagnoses to restore vision due to surgical removal or congenital absence of the natural lens. The reimbursements for this limited number of clients eligible for exams and vision products would be very small.	(4,893,721)		(8,339,705)	(13,233,426)		
30	HS-DMAP	<b>Reduce the DRG hospital component of the capitation rates from 80% to 72% of cost.</b>	(19,899,294)		(34,450,291)	(54,349,585)		

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31	CAF	<b>Reduce Pre-TANF payments for basic living expenses</b> to a maximum of 150 percent instead of the current maximum of 200 percent of the TANF Payment Standard for the number in the need group. [This action will result in an inability to achieve the Maintenance of Effort requirement for the TANF grant.]	(147,523)	(762)	(184,021)	(332,306)		
32	ASD	<b>ADMIN: Eliminate additional funding received in EBL for increased fuel costs.</b> Removes an exception EBL package for additional inflation to address fuel cost increases.	(250,000)			(250,000)		
33	SPD	<b>Institution- SOCP - Program Support Hiring Freeze-</b> Implement a hiring freeze for the 2009-2011 biennium except for critical need and direct care staff positions in the SPD SOCP budget. Assumes 1% savings salary costs of \$89.0 million TF, for estimated savings of \$0.8 million TF. This is a one time savings for 6 month savings starting 7/1/09.	(78,144)		(128,612)	(206,757)		
34	All but ASD	<b>ADMIN: Reduce Personal Services budget by an additional 2%</b> - a reduction across all DHS division administrative Personal Services budgets excluding Institution budgets and direct service staff positions (also excludes ASD which has provided specific reduction options).	(2,500,984)	(858,268)	(3,495,852)	(6,855,104)		
35	All but ASD	<b>ADMIN: Reduce S&amp;S Administrative Budgets by an additional 1%</b> - a reduction across all DHS division administrative Service and Supply budget except ASD which has provided specific reduction options.	(1,423,908)	(332,036)	(2,354,736)	(4,110,680)		
36	PHD	<b>ADMIN - Eliminate Database Coordinator.</b> Eliminate Position #0000772 Research Analyst-3 - Data Coordinator. The program is developing a patient encounter database. When accomplished, such information can be used to direct improvements in patient care and care-giver preparedness. Without a database manager this information wouldn't be obtainable. Services for the citizens of Oregon won't be improved.	(197,662)			(197,662)	(1)	(1.00)
37	ASD	<b>ADMIN: Reduce Staffing and Services &amp; Supplies by 10% for BPA.</b> A loss of resources would result in: • Represented staff layoffs (3 positions identified) • Reduction of Professional Services Contracts • Reduction of Expendable Property	(1,012,431)	(304,531)	(1,173,042)	(2,490,004)		(2.25)
38	ASD	<b>ADMIN: Eliminate additional funding received in EBL for increased training costs.</b> Target reduction that Limits funding for DHS employee training.	(52,750)			(52,750)		

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39	ASD	<b>ADMIN: Eliminate additional funding received in EBL for Mandated Caseload:</b> Removes the ASD related cost increase anticipated to support the added workload from increases in mandated DHS caseloads.	(1,531,407)		(1,373,086)	(2,904,493)		
40	SPD	<b>Diversion/Transistion of NF Clients-</b> Impose mandatory review and approval for all NF entry for current Medicaid clients and implement more aggressive Diversion-Transistion program and policy clarification for spend down clients.	(3,542,638)	(874,368)	(6,037,238)	(10,454,244)		
41	CAF	<b>Limit eligibility in ERDC to families with adults who are citizens or legal documented residents -</b> Currently, there are approximately 280 families with undocumented adults who would lose access to subsidized child care if this action is implemented. [This action will result in an inability to achieve the Maintenance of Effort requirement for the TANF grant.]	(3,532,826)	(3,896)	(103,260)	(3,639,982)		(1.65)
42	CAF	<b>Increase the co-pay by an average of 6 percent for families on the ERDC Program.</b> This action will increase the cost of child care for families who access program benefits. [This action will result in an inability to achieve the Maintenance of Effort requirement for the TANF grant.]	(1,783,391)			(1,783,391)		
43	PHD	<b>Return Primacy Safe Drinking Water Program to EPA.</b> Eliminate statewide drinking water protection and oversight effort conducted at DHS, LHDs, and DEQ; including inspecting water systems, investigating and responding to drinking water disease outbreaks and contamination, investigating and correcting non-complying water systems, training and certifying water system operators, reviewing construction plans, managing and reporting drinking water quality data, responding to and planning for emergencies, assessing and protecting drinking water sources, and preventing backflow. By reverting Primacy, it also eliminates the \$13M annually available to Oregon communities for safe drinking water construction projects (State Revolving Loan Fund at ECDD).	(4,000,000)	(850,000)	(7,300,000)	(12,150,000)		(49.50)

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44	HS-DMAP	<b>Limit payment to FQHCs and RHCs at the lesser of the Medicare or Medicaid allowable for Dual-eligibles.</b> This reduction would allow DMAP to apply TPR limitations to FQHC/RHC payments for services to clients with both Medicare and Medicaid coverage, where Medicare is the primary payer and Medicaid is the secondary payer.	(830,965)		(1,416,102)	(2,247,067)		
45	AMH	<b>Reduce GF from the A&amp;D continuum of care - SE 66.</b> This reduction cuts \$8.0 million (21%) of the funding for alcohol and drug treatment services for 5,030 youth and adults who are not eligible for Medicaid. Without treatment people will continue to abuse alcohol & drugs, commit crimes, endanger their children, and lose their jobs. This will increase child welfare caseloads and reduce the ability of TANF clients to become employable. This cut will result in the layoff of highly skilled counselors that may never return to serving these clients. This reduction jeopardizes the MOE requirements of the SAPT Block Grant.	(8,000,000)			(8,000,000)		
46	SPD	<b>Reduction of DD Brokerage Support Services in Base Budget (EBL 50-040-06)</b> - One of the final program requirements of the Staley Re-Settlement Agreement requires the DD program to provide services within 90 days (eliminating wait list). The Base Budget assumes opening to two new Brokerages in Oregon in 2009-11, each serving 700 potential new clients thus increasing Brokerage capacity by 1,400. This reduction assumes only opening one new Brokerage serving 700 clients and deferral of second Brokerage until 2011-2013. Current Brokerage capacity of 5,800 slots is at approximately 76% capacity, serving 4,700. Removes administrative cost of one brokerage development and services for 700 clients in EBL base budget. Should capacity need to be increased, SPD would bring the caseload driven issue to a Rebalance.	(6,115,070)		(3,082,822)	(9,197,892)		
47	HS-DMAP	<b>DME POS sole source contract for specialized equipment</b>	(95,156)		(162,162)	(257,318)		
48	PHD	<b>Reduce Communicable Disease Testing for Local Health Department Field Services.</b> Eliminate parasitology, syphilis and other testing at the Public Health Laboratory. This is a reduction in direct support for local health departments. In 2007, 460 cases of giardiasis, 165 cases of cryptosporidiosis, and 26 cases of syphilis were reported in Oregon.	(400,000)			(400,000)	(2)	(2.00)

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49	PHD	<b>Reduce HIV/STD/TB</b> Reduce resources and support provided to county health departments for HIV/Sexually Transmitted Disease/Tuberculosis (HIV/STD/TB) programs. General fund dollars primarily provide resources for local health authorities to purchase drugs and medical supplies for the diagnosis and treatment of STDs and TB. Also provide funding for TB case management, STD partner notification and HIV prevention/education materials. Reduction will have a negative impact on county health departments' ability to control and treat these diseases in their communities.	(1,000,000)			(1,000,000)		
50	AMH	<b>Reduce Adult Outpatient MH Services for non-Medicaid clients - SE 20.</b> This reduction cuts \$23.8 million, 84% of the funding for community-based services for 11,200 adults per year who are not eligible for Medicaid. The loss of services critical to successful community living will result in homelessness, incarceration, disability and death. This cut will result in the layoff of highly trained and skilled staff that may never return to serving these clients. This reduction jeopardizes the MOE requirements for the MH Block Grant. This reduction jeopardizes the success of the new state recovery and treatment facilities that replace OSH.	(23,823,428)			(23,823,428)		
51	CAF	<b>Eliminate the minimum co-pay in the first month of ERDC eligibility</b> - When a low income family first begins a job there is usually not enough money to pay the full co-pay on their child care case. Eliminating the reduced co-pay for the first month of ERDC would mean that approximately 44 families per month over the remainder of the biennium could not accept employment that could potentially lead the family toward self sufficiency. [This action will result in an inability to achieve the Maintenance of Effort requirement for the TANF grant.]	(3,674,984)		(712,247)	(4,387,231)		(0.23)
52	PHD	<b>Further reduce Family Planning Expansion Program (FPEP)</b> This program has a 9:1 Federal/State Match. Cuts birth control for low income women, including teens, resulting in unplanned pregnancies, which will drive cost increase in variety of health and social services. Reduces resources available to local providers, mainly county health departments.	(800,222)		(7,202,000)	(8,002,222)		

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53	SPD	<b>DD Service Element 45-</b> A 24 month program reduction to a limited number of clients in Nursing Facilities who receive Nursing Facilities Specialized Services- 25 hours of employment or alternatives to employment, currently 100% General Funded services offered but not mandated in the DD program. Clients who receive this services can be better served in a community based setting. Places CAP at 15 clients @\$719/mo.	(444,769)			(444,769)		
54	CAF	<b>Reduce Supportive Remedial Day Care by 50%.</b> This action limits access to funds for services to enhance the child's development and address physical, social, mental or emotional needs of the child. This could increase the need for placement of children in foster care. This will impact POP 106.	(1,549,960)	(31,884)	(281,753)	(1,863,597)		
55	SPD	<b>HCW- In-Home Care Program</b> - Eliminate less than 60 hours per month of in home care services. Includes the Personal Care PC 20 offset, Unemployment offset, movement into ALF offset. Effective October 1, 2009, a 21-month program elimination. This will impact approximately 5,337 clients who will lose access to HCW services which average 27 hours per month. About 62% of these clients or 3,309 will require and be eligible for up to 20 hours of State Plan Personal Care services each month. The remaining 2,028 will lose services. There is an estimated unemployment cost assumed for HCW staff. In addition, of the 2,028 clients who lose services, 15% or 304 will be reassessed back into services within the biennium, and probably require placement into Assisted Living at a rate of 14 per month. (Includes staff reduction.)	(14,940,575)		(25,461,197)	(40,401,772)		(67.76)
56	PHD	<b>OSPHD: Reduce State Support for Public Health in the Counties</b> These funds pay for direct communicable disease control that is provided by professional staff at local health departments (LHDs) to respond to diseases for which reporting is required. This reduction would further diminish LHDs capacity to adequately respond to significant health outbreaks which quickly overwhelm a local community's resources, and further jeopardize their ability to continue as the Local Public Health Authority (LPHA) in light of other funding crisis affecting counties in Oregon. This may potentially cause counties to reconsider reverting the LPHA to DHS-PHD.	(1,000,000)			(1,000,000)		

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57	PHD	<b>Eliminate Immunization Awards to the Local County Public Health Departments</b> - Special payments under LPHA to meet Program Element 43 requirements to provide infrastructure to local county partners to provide immunization clinics, Perinatal Hepatitis B case management, tracking and recall, WIC/Immunization integration, surveillance of vaccine preventable diseases, reporting adverse event following immunization, maintaining School Immunization Law and meet key performance measures. This reduction would eliminate the Immunization infrastructure support in local public health departments. This amount is matchable at 50%/50% in Title XIX admin match.	(1,038,000)		(1,038,000)	(2,076,000)		
58	CAF	<b>TANF Job Quit Penalty</b> - This action would implement a new requirement for TANF single-parent households (similar to the one currently in effect for two-parent households), which would make the family ineligible for TANF if the adult is unemployed from his/her most recent job without good cause. This would only apply to employment within the 12 months prior to the application for assistance. This proposal would not impact the families eligibility for other programs such as medical, ERDC or Food Stamps. It is estimated that approximately 200 new cases each month would be denied. This will impact POP 135. [This action will result in an inability to meet Maintenance of Effort Requirement for TANF grant.]	(1,294,532)	(43,613)	(4,004,079)	(5,342,224)		(3.23)
59	AMH	<b>Acute Care SE 24</b> -This reduction cuts 3% of the funding for acute inpatient psychiatric care for 180 adults. Without these services individuals who are very ill may injure themselves or others. The state will be at risk for failure to provide services to people who are civilly committed. There is a risk of the loss of acute inpatient psychiatric treatment capacity and pressure of the state to provide this service directly in state hospitals. This reduction jeopardizes the MOE requirements for the MH Block Grant.	(1,135,274)			(1,135,274)		

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60	CAF	<b>Reduce the maximum ERDC payment threshold to the 70th percentile of the 2006 Market Rate Study;</b> current budget is at approximately 75th percentile. The standard subsidy rate paid to licensed-exempt providers will be decreased to the 88 percent of the 70th percentile of the 2006 Market Rate Study. This reduction will limit low-income families' ability to find stable quality child care which may put their employment stability at risk. This will impact POP 187. [This action will result in an inability to achieve the Maintenance of Effort requirement for this program.]	(3,139,294)			(3,139,294)		
61	HS-DMAP	<b>Reduce PLM-Adult program from 185% to 133% FPL.</b> This budget reduction option would reduce Medicaid eligibility for Poverty Level Medical (PLM) pregnant women and their newborns (infants 0 to 1) from 185% of the federal poverty level (FPL) to 133% FPL. New enrollees above 133% FPL would not be allowed into the program. Those on the program would be allowed to complete their eligibility periods of two months postpartum coverage, and their newborns would have 12-months of coverage. Would impact POP 101 and POP 161.	(8,537,498)		(14,549,301)	(23,086,799)		
62	CAF	<b>Reduce Poverty Level Medical for pregnant women from 185 percent to 133 percent of Federal Poverty Level (DMAP)</b>	(14,343)		(14,226)	(28,569)		
63	AMH	<b>Statewide Problem Gambling Prevention Reduction - SE 80.</b> This reduction cuts \$300,000 from Problem Gambling Prevention services. The funds are essential to support the prevention infrastructure in partner agencies. Collaboration with the Department of Education, Public Health Adolescent Health and Tobacco Prevention and the State Fire Marshal's Office would be eliminated. There would be a loss of critical mental health planning data since the mental health index portion of the Healthy Teens Survey would be eliminated. DHS's compliance with the statutory requirement to support problem gambling prevention would be jeopardized.	(300,000)			(300,000)		

**DEPARTMENT OF HUMAN SERVICES  
REQUIRED LIST OF POTENTIAL REDUCTION OPTIONS  
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ITEM #	DIVISION	REDUCTION OPTION DESCRIPTION	STATE FUNDS (General fund & Lottery fund)	OTHER FUNDS (Limited)	Federal Funds (Limited)	Total Funds	POS	FTE
64	SPD	<b>Reduce Children In-home Intensive Services Medically Fragile Unit Budget</b> - This reduction would reduce the budget for the MFP and recognize 1/3 of these children have private payin. Both in 2005-07 and 2007-09 the State Plan includes services to both SPD and CAF children. These children require specialized nursing care due to being on vents. Parental income is not considered for financial eligibility for this population.	(1,861,888)		(3,272,301)	(5,134,188)		
65	CAF	<b>Further reduce the maximum payment threshold for ERDC to the 65th percentile of the 2006 Market Rate Study.</b> The standard subsidy rate paid to licensed-exempt providers will be decreased to the 88 percent of the 65th percentile of the 2006 Market Rate Study. This reduction will limit low-income families' ability to find stable quality child care which may put their employment stability at risk. This will impact POP 187. [This action will result in an inability to achieve the Maintenance of Effort requirement for this program.]	(3,139,294)			(3,139,294)		
66	SPD	<b>NF Allowable Cost Limitation Proposal-</b> The cost limitation proposal will change the current allowable cost that is used in both quarterly and annual NF cost reports and the setting of future NF rates. Will result in NF program savings by limiting the current allowable cost. This savings is proposed as an offset to the CBC Policy Option package as a cost savings to offset the rate reimbursement changes. Proposal to fund POP 103a.	(23,072,416)		(39,319,189)	(62,391,605)		
67	SPD	<b>Restructure and reduce Special Projects DD Service Element 57-</b> This is a 48.72% reduction in the Community Training budget portion of this service element which provides training to DD community providers.	(1,227,200)		(772,800)	(2,000,000)		
68	SPD	<b>Reduction of Comp 300 Clients in Base Budget (EBL 50-040-05)</b> - Reduce by 50% projection assumption of 130 clients entering DD Comprehensive services. Postpones final roll out of Staley Agreement by deferring 65 clients to 2011-13. A total of 130 people were projected, this will assume services for 65 people who will enter Comprehensive Services without having to go through Crisis Diversion (will not have to reach the Crisis level) before DD Comprehensive Services are offered. Removes administrative cost for CDDP caseload and services for 65 clients in EBL base budget.	(4,469,147)		(6,946,411)	(11,415,558)		

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69	AMH	<b>Reduce Adult Residential Services - SE 61.</b> This reduction cuts \$6.3 million of funding for A&D Residential Treatment for 735 adults per year without Medicaid coverage. This is 21% of funding for this service. Without treatment people will continue to abuse alcohol & drugs, commit crimes, endanger their children and lose their jobs. This will increase child welfare caseloads and reduce the ability of TANF clients to become employable. This cut will result in the layoff of skilled treatment staff, potential loss of providers in the public system. This cut jeopardizes the MOE requirements of the SAPT Block Grant.	(6,300,000)		(12,600,000)	(18,900,000)		
70	CAF	<b>Reduce Other Medical Program by 50%.</b> This program provides for medical-related payments for people or services that are not eligible for Medicaid reimbursement. These funds are used for services for children in DHS' care and custody or for his/her parent who is ineligible for Medicaid and there are no other resources available. A large portion of this program is used for court-ordered urine analyses and would therefore require collaboration with the courts in order to successfully implement this reduction.	(2,628,674)	(11,068)		(2,639,742)		
71	CAF	<b>Limit ERDC to families leaving TANF.</b> This action will decrease the pool of potential clients who access program benefits. Current ERDC clients will continue to be eligible until there is a break in benefits. This may limit the families' ability to find and keep stable, quality child care. Instability in child care arrangement often makes it more difficult for low-income families to remain employed. [This action will result in an inability to achieve the Maintenance of Effort requirement for this program.]	(37,676,559)	105,362	10,201,602	(27,369,595)		(2.25)
72	HS-DMAP	<b>Eliminate certain Medicaid optional services.</b> This Reduction Option is to eliminate certain services currently provided in Oregon that are considered optional under federal Medicaid regulations. The services include: Private Duty Nursing, Prosthetic Devices, Hearing Aids, Chiropractic Services and Podiatrist Services.	(2,856,063)		(4,970,898)	(7,826,961)		

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73	AMH	<b>Statewide Problem Gambling Treatment Reduction - SE 81.</b> This reduction cuts \$1.0 million in lottery funds for the treatment of problem gambling for 588 people per year with problem gambling behaviors. Treatment works and produces social savings as a result of reduced social costs for the personal and family financial risks and financial crime associated with untreated problem gambling. There are social costs linked to the higher risks for divorce, depression and suicide related to untreated problem gambling.	(1,000,000)			(1,000,000)		
74	ASD	<b>ADMIN: Reduce State Data Center Budget by 10%:</b> Target for reducing use and storage fees through improved efficiencies and increased scrutiny of the use of services.	(1,577,141)	(93,951)	(1,460,600)	(3,131,692)		
75	ASD	<b>ADMIN: Reduce DAS Assessments - State Gov't Service Charges by 10%.</b> Reflects effect of DAS 10% reduction options.	(3,194,713)	(194,333)	(3,086,806)	(6,475,852)		
76	AMH	<b>Cut remaining \$4.5 million from Adult Outpatient MH Services - SE 20.</b> This reduction cuts the remaining \$4.5 million of General Fund not matched to Medicaid for community-based services for an additional 2,280 adults per year with severe persistent mental illness. The loss of services critical to successful community living will result in homelessness, incarceration, disability and death. This cut will result in the layoff of highly trained and skilled staff that may never return to serving these clients. This reduction jeopardizes the MOE requirements for the MH Block Grant. This cut would negatively affect the success of the new psychiatric treatment facility being built to replace OSH.	(4,533,701)			(4,533,701)		
77	CAF	<b>Reduce IV-A Domestic Violence program by 10 percent.</b> This action will reduce services to approximately 57 families per month. This action will cause reduced access to services that enable victims of domestic violence to flee or stay free from domestic violence. This may increase the number of children at risk because of co-occurring domestic violence and child abuse. This will impact POP 115. [This action will result in an inability to achieve the Maintenance of Effort requirement for the TANF grant.]	(97,835)	(7,044)	(766,247)	(871,126)		(0.93)

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78	CAF	<b>Eliminate Crisis Case Management program.</b> This action eliminates crisis intervention services and/or shelter care placements for youth in the Portland area. Contractors provide these services for children who need immediate care after normal working hours.	(14,570)	(16,331)	(229,929)	(260,830)		
79	HS-DMAP	<b>Eliminate the Breast and Cervical Cancer Program.</b> This budget reduction option would eliminate BCCP which is part of the Federal Breast and Cervical Cancer Prevention and Treatment Act of 2000. It was implemented in Oregon in April 2004, Would impact POP 191.	(4,773,124)		(13,663,046)	(18,436,170)		
80	AMH	<b>Closure of BMRC on 10-1-09</b> without developing replacement community beds means that 252 people per year who are civilly committed to the state for treatment of a mental illness that makes them a danger to self or others will not have access to longer term state hospital level of care.	(18,310,287)	(3,387,077)	(730,725)	(22,428,089)		(116.45)
81	All but ASD	<b>Additional 6 month delay COLA increases within DHS control</b> - adjust contract services to delay COLA start date to July 1, 2010. (Does not apply to administrative budget items.)	(11,360,313)	(1,051,356)	(17,637,728)	(30,049,397)		
82	SPD	<b>Restructure and reduce In-home Services and Family Support GF program in DD</b> -35.17% reduction of In-home Services and Family Support Program.	(6,000,000)			(6,000,000)		
83	AMH	<b>Closure of 3 Non-Medicaid Geropsychiatric @ OSH</b> - This reduction closes the 3 wards in the Geropsychiatric Hospital Program that serve clients who themselves or whose services are not eligible for Medicaid reimbursement. The hospital would lose 86 beds serving 150 people per year. Patients formerly served will be discharged into existing community programs that were unable to meet their complex medical, behavioral and mental health needs in the first place. This cut will destabilize the planning for the replacement to OSH which assumes a growth in the population.	(11,376,571)		(4,873,610)	(16,250,181)		(94.71)
<b>TOTAL - GF 10% REDUCTION OPTION</b>			<b>(413,504,241)</b>	<b>(9,812,976)</b>	<b>(458,107,783)</b>	<b>(881,425,000)</b>	<b>(3)</b>	<b>(345.20)</b>