



Sept. 4, 2020

To: All ODDS Staff and Stakeholders

From: Lilia Teninty, Director, Office of Developmental Disabilities Services

Subject: Budget update September 2020

On Sept. 1, the Oregon Department of Human Services submitted its 2021-2023 budget proposal. This is just the first step in a long process to get a 2021-2023 Legislatively Approved Budget.

Governor Brown will use these documents from all state agencies to create the budget she will propose to the Legislature. Then, starting early next year, the Legislature will review that budget proposal and develop a final budget to bring to a legislative vote. This will be a lengthy process, and much will change as we move forward. I'll provide more updates in the future.

A summary of the ODDS portion of the ODHS budget request is posted on our website. It summarizes the investments we hope to make in the upcoming biennium as well as potential budget cuts. You can find it at go.usa.gov/xG4uT

Every time we submit a budget request we are required to submit a list of potential budget cuts. Early this year, the state had a very positive revenue picture. Then the pandemic hit, and the state went from a positive trajectory into a negative one almost overnight. The state currently anticipates around a \$4 billion shortfall for the 2021-2023 biennium. That number will change over the next ten months and the shortfall amount could move up or down.

This year has been hard for everyone. It wasn't the spring or summer we'd anticipated and we don't know for certain what the future will bring.

Through it all, we greatly appreciate your flexibility and resiliency, and the

way you've rallied together to safely support people with I/DD, their families and one another.

Sincerely,

A handwritten signature in black ink that reads "Lilia". The signature is written in a cursive, flowing style with a large loop at the beginning.

Lilia Teninty

Director

Office of Developmental Disabilities Services

Previous ODDS Director's Messages are available at
[http://www.oregon.gov/DHS/SENIORS-
DISABILITIES/DD/Pages/messages.aspx](http://www.oregon.gov/DHS/SENIORS-DISABILITIES/DD/Pages/messages.aspx)

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Summary of the ODDS Agency Request Budget 2021-2023

On Sept. 1, 2020, Oregon Department of Human Services Director Fariborz Pakseresht updated department staff and partners about the department's budget proposal for the 2021-2023 biennium. The budget includes investments in services.

The budgeting process also requires the department to prepare and submit a 10% reduction option across ODHS. While this reduction list is required every biennium, it takes on a heightened significance given the impact of COVID-19 and the economy.

This budget marks the first in a three-step process to get to the approved 2021-2023 state budget. The Governor will submit a budget toward the end of the year. Then the Legislature will pass a budget before the end of June 2021. Throughout the budget process there will be change and adjustments. ODDS will provide periodic updates.

The full ODHS budget is online at <https://www.oregon.gov/dhs/ABOUTDHS/DHSBUDGET/Pages/2021-2023-Budget.aspx>. The ODDS portion begins on page 230 of the PDF.

Strategic initiatives

The focus this biennium:

- Continue efforts to adequately support funding for providers and Direct Support Professionals.
- Expand service equity efforts.
- Continue the Compass project initiatives and move into the new service groups and rate models.

Investments

These policy option packages (POPs) are requests for additional funds and staff to meet needs beyond the current budget.

Diversity, equity and inclusion

This is part of a larger investment across ODHS. In order to provide the necessary level of language access, an intentional resource investment is needed. This will help ODDS reach its vision for service equity and eliminating language barriers.

New rate models

The existing rate models upon which provider rates are based are more than a decade old. While periodic updates to rates have been made, those models do not reflect current costs. ODDS requested funding to both implement new rate models as well as to move toward full implementation. If fully funded, the proposed new rates will help address a workforce crisis in the hiring and retention of direct support professionals (DSPs).

Health management

The number of children and adults with medical support needs is increasing, including those with medically complex health conditions. The central office does not currently have the positions and subject matter expertise to support this need in the field. This new unit would provide policy analysis, technical assistance, training and program management to providers, case management entities, individuals and families.

Licensure and quality improvement staffing

The number of providers requiring a licensing visit or follow up has increased 200% with no new staff. These homes are across the state and require visits occur within timelines identified by the U.S. Center for Medicare and Medicaid Services (CMS).

Benefits counseling services (WIN)

This is a joint request with Vocational Rehabilitation. WIN provides benefits counseling to approximately 1,100 people with disabilities per year, while 1,450 people are waiting for that assistance. This can cause individuals with disabilities to no longer seek employment or lose their jobs due to benefit loss or fear of benefit loss. A minimal increase in benefits counselors can significantly increase jobs and independence for individuals with disabilities.

10% reductions list

Below is the list of reduction options ODHS submitted on Sept. 1. The department worked to prioritize the health and safety of individuals in services while balancing the impact reductions will have on providers and the direct care workforce.

The reduction options on this list have significant consequences for the more than 30,000 Oregonians with I/DD and the providers who support them every day. Some of these reductions will require bargaining.

Proposed rate reductions

- **Reduce provider rates** by 4% for foster care, group homes, in-home care, day service activities, employment path, small group and job coaching.
- **Further reduce DD Adult Foster Care rates** by an additional 4%. This would mean a total 8% reduction to adult foster care providers.
- **Reduce Personal Support Worker wages** by 4%.
- **Reduce PSW's overtime** hours to five hours and eliminate PSW overtime hours for those at the 40-hour limit.

Proposed closure

- **Close Stabilization and Crisis Unit's Elliot 1 & 2 homes.** These homes currently serve a total of nine individuals with complex medical needs. The residents would be offered choice and transitioned to

other settings operated by private provider agencies. There are 27 staff in these homes.

Other proposed reductions

- **Reduce community housing contracts.** Reduce maintenance funding based on the homes that matured off the CIP program in prior biennia. These are provider homes funded by 30-year bonds to aid in transitioning people from Fairview to the community.
- **Reduce Host Homes caseload** by 30 from the 140 approved in the 2019 Legislature. Host Homes will serve children with significant needs who cannot be safely served in their family or foster home, but do not require more costly Group Home level of care.
- **Reduce Brokerage and Community Developmental Disabilities Program Equity by 4% (93% equity).** Reduces the operating funding and will impact case management services, abuse investigations and Adult Foster Home licensing. It will reduce the ability of people with I/DD to access these important services in a timely manner.
- **Eliminate ability to disregard parental income.** Children who live at home and require parental income disregard to meet Medicaid financial eligibility requirements would lose Medicaid eligibility and Medicaid-funded services. This reduction will require CMS notification and may have ADA/Olmstead legal implications. ODDS estimates 1,070 children could lose eligibility due to this change during the 2021-23 biennium. Pricing includes the cost of three policy analysts for a 12-month period. Effective 4/1/2022.