

**GOVERNOR'S 2004/2005
SERVICE CUTS/BUDGET REDUCTIONS
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A Department Of Human Services Governor's Budget Recommendations:

- ! \$7 billion budget from state general fund for biennium
- ! spending cuts of \$895 million proposed for biennium
- ! revenue increases (fees, federal funding) \$117 million

!

MR/RC Waiver.

- ! Eliminate new service slots for two years, services for 600 persons with developmental disabilities.

- # *reduction: \$13.4 million for 2004/2005 biennium (\$26.8 million cut with federal Medicaid match)*
- # *\$17.3 million annually thereafter (\$34.6 million in services)*

Note: MR/RC Waiver Rebasing

- ***Administrative Reduction by DHS effective retroactive to 1/1/03. Governor's budget recommendations are in addition to rebasing cut. Rebasing reduces MR/RC waiver by \$63 million 2004/2005 (\$126 million in service funds with federal Medicaid match).***

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Eliminate day training and habilitation (DT&H) mandate for adults with developmental disabilities.

- ! Adults who graduate from school at 21 years of age would have no right to DT&H services. With no waiver funds available and no mandate, 21-year-olds will likely have no day program.
- # *amount of county reduction not available*

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Eliminate requirement that person in ICF/MR facility go out to day program operated by a separate entity.

- ! *reduction: \$1.6 million for 2004/2005 (\$3.2 million service cut)*

!

Eliminate Consumer Support Grant (CSG) exception amount.

! 200 persons with disabilities will have their grants reduced.
! *reduction: \$2.5 million 2004/2005*

!

Limit TBI waiver slots to 150 per year.

Currently, there are 737 persons using TBI Waiver funding.

! *reduction: \$4.9 million for 2004/2005 (\$9.8 million service cut)*
 \$10.6 million for 2006/2007 (\$21.2 million service cut)

!

Delay home and community waiver service improvements for CADI, EW, CAC, TBI, MR/RC Waivers.

Delay targeted case management for PCA recipients and development of a common service menu for the disability waivers until July 1, 2005.

! *reduction: \$3.9 million for 2004/2005 (\$7.8 million in services)*

!

Suspend ICF/MR payments for empty beds.

! *reduction: \$2.3 million for 2004/2005 (\$1.6 million cut to ICF/MRs)*

!

Establish county share of 10% for ICF/MRs over six beds.

! *reduction: \$16.5 million for 2004/2005*

!

Provider rate cuts.

! DT&H — 4%
! ICF/MR — 4%
! PCA — 2%
! PDN — 2%
! Home Health Agency Services — 2%
! Home and Community Waiver Services — 4%
 MR/RC — 4%
 CAC — 4%
 CADI — 4%

TBI — 4%

! *reduction: \$81 million 2004/2005 (\$162 million reduction in service funding)*

This level provider cut is likely to result in some providers or staff leaving the field, thus reducing service utilization (availability). Savings from reduced access to services for eligible individuals is part of the \$81 million savings.

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Co-payments for Medical Assistance services.

Will apply to all with MA, families with children, elderly, disabled, including those in PMAP and with spend downs.

- ! Pharmacy
 - # \$3 brand name, per prescription
 - # \$1 generic, per prescription
- ! Non-preventive office visits — \$3
- ! Eyeglasses — \$3
- ! Non-emergency visits to ER — \$6
- # *reduction: \$33.7 million for 2004/2005*

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Refinance group residential housing to get more federal Medicaid funding for disability-related housing costs.

- ! *saves \$10.8 million state funds for 2004/2005 and replaces with federal Medicaid funds*

!

MA-EPD changes.

- ! Change eligibility
 - #
 - a. must earn \$65 per month to qualify
 - b. must have taxes withheld
- ! Minimum premium of \$35 charged
- ! Increased premium by charging 5% of unearned income in addition.
- ! Charge for Medicare Part B premiums (from \$5 to \$58/month) for those over 120% FPG (\$906 per month).
- ! Allow four months continued MA-EPD without earnings if laid off
- # *reduction: \$3.9 million for 2004/2005*

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Increase Adoption and Relative Custody for Special Needs Children

- ! increase \$2.2 million

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14 Eliminate continuing care grants.

! Epilepsy Grants

reduction: \$502,000 for 2004/2005

! Public Guardianship Alternatives Grant

reduction: \$500,000 for 2004/2005

! Region 10 Quality Assurance \$1.1 million

reduction: \$1.1 million for 2004/2005

! Foster Grandparents State Funding (\$1.9 million in federal funding remains)

! RSVP State Funding (\$1.3 million in federal funding remains)

15 Parent fees increase substantially.

Example: Family of 4, \$4,149 per month (275% Federal Poverty Guidelines (FPG)) would pay \$176 per month. (200% FPG = \$2,543 per month for family of three; \$3,067 per month for family of four)

! *reduction: \$4 million for 2004/2005*

16 Repeal MA coverage of new autism service.

! *reduction: \$4.1 million for 2004/2005*

17 Reduce Prescription Drug Program to forecast amount.

! Impact of this reduction is not known.

reduction in funding saves \$5.9 million for 2004/2005

18 Change Special Transportation covered by MA

Use a broker for MA non-emergency transportation for all MA clients in the 7-county metro area.

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! *reduction: \$2.6 million for 2004-2005 (\$5.2 million reduction with federal share)*

19 Phase out adult mental health day treatment.

! Proposal promotes use of rehabilitation services and partial hospitalization instead.

reduction: \$2.4 million for 2004/2005

20 Refinance state-operated services.

! Reduce size of state institutions for persons with mental illness to 15 or fewer beds and qualify for Medical Assistance.

reduction: \$9.5 million 2004/2005

reduction: \$40.0 million 2006/2007

21 Change adult mental health residential services.

! Reduce size of Rule 36 facilities and use other housing options to qualify for Medicaid match.

22 Increase children's mental health Medical Assistance benefit.

! Eliminate county contract requirement for providers.

! Change children's mental health service rule restrictions.

! Expand eligibility to children before they reach crisis.

\$1.9 million increase (\$3.8 million increase in services)

23 Increase children's mental health screening.

! *\$2.7 million increase*

24 Adolescent mental health crisis facility.

Allow MA coverage for sub-acute adolescent mental health.

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! *saves \$1.2 million state funds and replaces with federal Medicaid funds*

25 Reduction in Household Income for Low-Income Families with Disabilities on MFIP.

Receipt of SSI would reduce MFIP cash assistance to a low-income family with a member with disabilities who receives SSI assistance up to \$175/mo.

Relative caregivers for a child with a disability would be exempt from the reduction in MFIP grant for SSI.

reduction: \$29.9 million for 2004/2005 from low-income families

26 Family Support Grant Program.

Funding not reduced. However, with no increase in funding, program eligibility will be expanded to a broader group of children.

27 Semi-Independent Living Services.

no reductions

28 DHS agency reduction.

Eliminate 107 positions by 2005.

reduction: \$7 million 2005.

B Other Cuts.

29 Council on Disability

eliminated, \$1.4 million for 2004/2005

30 Centers for Independent Living

All state funding eliminated, 72% of CIL's funding.

31 Ombudsman for Mental Health and Mental Retardation

agency reduction

32 Metromobility Changes

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suburbs.

Service hour limits for weekends and evenings for persons living in outer