

DEPARTMENT OF HUMAN SERVICES

2009-11 Biennium

Agency Number: 10000

Detail of 10% Reduction to 2009-11 Legislatively Approved Budget Level

		5													6		7	8	9	10	11	12	13	14	15
Priority (ranked with highest priority first)	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												
	Dept	Prgm/ Div	<p><b>Note: DHS budget reduction options have been priced using the latest, preliminary Fall 2009 program caseload forecasts. This assumes that the 2009-11 budget will be adjusted to reflect these levels. DHS reduction pricing will change as these caseload forecasts change throughout the biennium.</b></p>																						
1	1	DHS	AMH	AMH - Targeted Non-program/Administrative budget reductions: Due to budget shortfalls in the 2007-09 biennium, DHS AMH implemented hiring delays, selected non-direct service position freezes and stringent limitation or elimination of out of state travel and further restrictions in all other non-payroll cost categories (supplies, professional services, etc). These actions were continued into 2009-11 due to the 4% Personal Services and 2% Services and Supplies reductions that were taken by the 2009 legislature and to cover other necessary costs. DHS has implemented additional dollar targeted budget reduction efforts in its non-program budgets for 2009-11. To achieve these reductions, hiring delays and selected position freezes have been put into place along with stringent limitation or elimination of out of state travel and further reductions in all other non-payroll cost categories (supplies, professional services, etc).	(240,094)	-	-						\$ (240,094)			DHS/AMH has implemented dollar targeted budget reduction efforts in its non-program budgets. To achieve these reductions, hiring delays and selected position freezes have been put into place along with stringent limitation or elimination of out of state travel and further reductions in all other non-payroll cost categories (supplies, professional services, etc). These reductions will adversely affect the ability to support and manage the AMH programs.									
2	1	DHS	CAF	CAF - Targeted Non-program/Administrative budget reductions: Due to budget shortfalls in the 2007-09 biennium, DHS CAF implemented hiring delays, selected non-direct service position freezes and stringent limitation or elimination of out of state travel and further restrictions in all other non-payroll cost categories (supplies, professional services, etc). These actions were continued into 2009-11 due to the 4% Personal Services and 2% Services and Supplies reductions that were taken by the 2009 legislature and to cover other necessary costs. To achieve further reductions at the 1.5% level, CAF may need to expand hiring delays to direct service staff. To achieve the second 1.5% it will be necessary to expand hiring delays to direct service staff. Delays and other impacts on direct service and non-direct service staff will affect services provided by CAF to the citizens of Oregon especially when combined with the impact of rising caseloads and office closures.	(1,946,419)	-	-						\$ (1,946,419)			A freeze on the non-direct service positions over time will impact the quality and timeliness of our service delivery to the Field and external partners. These reductions will adversely affect the ability to support and manage the CAF programs.									
3	1	DHS	DMAP	Targeted non-program and administrative budget reductions. DHS first priority is to implement budget reductions in non-program areas. Cost savings will be achieved through hiring delays, select position freezes, stringent limitations on or elimination of out of state travel and further reductions in all other non-payroll cost categories (supplies, professional services, etc).	(475,664)					(475,664)			\$ (951,327)			This reduction will have no direct impact on services or outcomes.									
4	1	DHS	PHD	PHD - Targeted Non-program/Administrative budget reductions: Due to budget shortfalls in the 2007-09 biennium, DHS PHD implemented hiring delays, selected non-direct service position freezes and stringent limitation or elimination of out of state travel and further restrictions in all other non-payroll cost categories (supplies, professional services, etc). These actions were continued into 2009-11 due to the 4% Personal Services and 2% Services and Supplies reductions that were taken by the 2009 legislature and to cover other necessary costs. DHS has implemented additional dollar targeted budget reduction efforts in its non-program budgets for 2009-11. To achieve these reductions, hiring delays and selected position freezes have been put into place along with stringent limitation or elimination of out of state travel and further reductions in all other non-payroll cost categories (supplies, professional services, etc).	(59,865)	-	-						\$ (59,865)			These reductions will adversely affect the ability to support and manage the PHD programs.									
5	1	DHS	SPD	SPD - Targeted Non-program/Administrative budget reductions: Due to budget shortfalls in the 2007-09 biennium, DHS SPD implemented hiring delays, selected non-direct service position freezes and stringent limitation or elimination of out of state travel and further restrictions in all other non-payroll cost categories (supplies, professional services, etc). These actions were continued into 2009-11 due to the 4% Personal Services and 2% Services and Supplies reductions that were taken by the 2009 legislature and to cover other necessary costs. DHS has implemented additional dollar targeted budget reduction efforts in its non-program budgets for 2009-11. To achieve these reductions, hiring delays and selected position freezes have been put into place along with stringent limitation or elimination of out of state travel and further reductions in all other non-payroll cost categories (supplies, professional services, etc).	(774,201)	-	(128,186)			(1,129,465)			\$ (2,031,852)			SPD - Targeted Non-program/Administrative budget reductions: DHS has implemented dollar targeted budget reduction efforts in its non-program budgets. To achieve these reductions, hiring delays and selected position freezes have been put into place along with stringent limitation or elimination of out of state travel and further reductions in all other non-payroll cost categories (supplies, professional services, etc).									

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Dept	Prgm/ Div															<p><b>Note: DHS budget reduction options have been priced using the latest, preliminary Fall 2009 program caseload forecasts. This assumes that the 2009-11 budget will be adjusted to reflect these levels. DHS reduction pricing will change as these caseload forecasts change throughout the biennium.</b></p>																						
6	2	DHS	CAF	<p><b>Self-Sufficiency: Reduce Pre-TANF payments for basic living expenses.</b> The Pre-TANF program provides short-term support and assessment services to clients in their efforts to achieve self-sufficiency and family stability, decreasing the need for longer term TANF services. The reduction would decrease financial assistance for basic living expenses from a maximum of 200 percent of the TANF payment standard to 100 percent of the standard. (As an example, for a household of three, the financial assistance would be reduced from a maximum of \$970 to \$485 per month.) This reduction would affect approximately 50 cases/month. The reduction may impact the State's ability to meet MOE for TANF (or CCDF) and reduce the amount of TANF stimulus revenues available to Oregon depending on overall program funding decisions and caseload levels through June 2010.</p>													(148,571)												0		\$	(148,571)			<p>This reduction will reduce the amount of grant available to all Pre-TANF clients. Reducing the pre-TANF component defeats the intent of serving families in a one-time crisis so they will be less likely to need ongoing TANF support. Typically basic living expenses during Pre-TANF period are made to cover housing or utility costs. This reduction will affect the ability of families to meet immediate housing and utility needs. Families often wait to apply for TANF until they have exhausted all resources and have accumulated debt. Families with eviction notices could become homeless or they could have their utilities shut down affecting the stability of the family. This option may increase family stressors that could result in additional referrals to Family Support &amp; Connections for services. As economy worsens it is likely that more families will be in need of Pre-TANF.</p>			
7	3	DHS	CAF	<p><b>Self-Sufficiency: Further reduce JOBS services by \$10 million.</b> The JOBS program funds supports and contracted services to help TANF clients become self-sufficient. Additional reductions in JOBS will mean further limitations on remaining services provided under an already constrained service set. This will impose even greater constraints on capacity to serve current and projected levels of mandatory JOBS clients. There will be an additional decline in the program's capacity to meet federal work participation requirements, increasing certainty of additional federal penalties (for participation requirements) and future state fund penalty offsets. With limited services and capacity for employment, training and support services, clients will more frequently wait for services and families may remain on TANF longer, even when the economy improves, resulting in greater long term costs for TANF assistance grants. This reduction may jeopardize some Federal funding of this program.</p>													(10,000,000)														\$	(10,000,000)			<p>With limited services and capacity for employment, training and support services, clients will more frequently wait for services and families may remain on TANF longer, even when the economy improves, resulting in greater long term costs for TANF assistance grants. This reduction will likely result in reliance on Job Search activities as a primary employment strategy. This strategy cannot address the needs of families who have significant barriers to employment and will likely lead to further layoffs of provider staff who were impacted already due to service reductions made in 2007-09 due to budget shortfalls. Job Search as a stand-alone activity also risks compliance with Federal requirements. The Oregon TANF State Plan must provide a program designed to serve all political subdivisions in the State (not necessarily in a uniform manner); that provides assistance to needy families with (or expecting) children; and provides parents with job preparation, work, and support services to enable them to leave the program and become self-sufficient.</p>			
																																			<p>This reduction will further contribute to the state's ability to meet federal participation rates which will result in the state's TANF block grant being reduced by up to 5 percent or approximately \$8.3 million per year. This budget reduction may impact ability to meet MOE for TANF (or CCDF) depending on overall program funding decisions. At a minimum, failure to meet MOE obligation will result in 2% of the TANF grant, or \$3.3 million per year. Furthermore, the grant is reduced by the same dollar amount (as the penalty) in the following FY. This will have a negative effect on Oregon's ability to maintain a federal partnership in the TANF program.</p>			
8	2	DHS	DMAP	<p><b>Allocate costs of DMAP administrative personal services between Medicaid and Title XXI.</b> The Division of Medical Assistance Programs is identifying administrative costs that can be allocated to both Medicaid (Title XIX) and the Children's Health Insurance Program (Title XXI), rather than just Medicaid.</p>													(457,886)													457,886		\$	-			<p>Administrative costs claimed under Title XXI are reimbursed at the program match rate, which is higher than Medicaid's 50 percent administrative match rate. This action will increase the amount of federal fund reimbursement for administrative costs.</p>		
9	2	DHS	SPD - DD	<p><b>Fairview Community Housing Trust Fund</b> - Requires Legislative action to change the restricted use of these General Funds to allow a broader use. With Legislative change, these funds could be used elsewhere within SPD in lieu of General Fund to fund other SPD programs. This is the principal and projected ending balance for this fund.</p>													(12,804,345)															\$	-			<p>Interest on these funds have been used to assist individuals living at home with their families with housing modifications such as bathroom remodels, ramps, etc, that have made it possible for the person with disabilities to remain at home with their family with little to no other state funded supports. Currently grants are open every six months and assistance is provided to 400 to 500 clients per biennium.</p>		
10	2	DHS	AMH	<p><b>Community Mental Health Housing Fund</b> - Requires Legislative change to remove the restricted use of these funds to allow more broad use within AMH. With Legislative change, these funds could be used elsewhere within AMH in lieu of GF to fund AMH programs. This is the principal and projected ending balance for this fund.</p>													(12,587,517)																\$	-			<p>This fund was established with the proceeds of the Dammasch State Hospital property sale. The money was put into a trust. The interest is used to establish mental health housing for people with chronic mental illness. The loss of additional interest of the trust will mean housing will not be developed for approximately 1,000 people over the next 10 years. Since the beginning of the fund, an investment of \$1 of trust money created more than \$25 of new housing. There was housing created for 504 people. This reduction requires changing ORS 426.506.</p>	

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Dept	Prgm/ Div			<b>Note: DHS budget reduction options have been priced using the latest, preliminary Fall 2009 program caseload forecasts. This assumes that the 2009-11 budget will be adjusted to reflect these levels. DHS reduction pricing will change as these caseload forecasts change throughout the biennium.</b>																														
11	4	DHS	CAF	Self-Sufficiency: Increase the co-pay by an average of 6 percent for families on the Employment Related Day Care Program. This reduction would lower the subsidy paid by the state and increase the co-pay amounts paid by the parents by an average of 6 percent. Currently the co-pay for families is based on sliding fee scale based on family income. The average co pay for a family is about \$150. This change in co-pay would mean an increase of an average of \$10-\$15 for a family. This reduction would affect an average of 9,500 families/month.	(834,368)																										This change in co-pay would mean an increase of an average of \$10-\$15 for a family above 50% FPL. Oregon's co-pay levels are higher than many states although the 2007 legislative session made dramatic improvements. This action would erode those gains. This may limit a family's ability to find and keep stable, quality child care. Instability in child care arrangements often makes it more difficult for low income families to remain employed. When employment is lost, the TANF program becomes a resource of necessity. In addition, this reduction also impacts child care providers who are often low-income themselves.			
12	3	DHS	SPD - APD	Eliminate APD Adult Day Services - Day services for seniors and people with disabilities that includes respite for providers and activities for clients. Eliminates services to In-Home and to the adult foster home client participation.	(170,339)					(415,302)																				Eliminate APD Adult Day Services - Day services for seniors and people with disabilities that includes respite for providers and activities for clients. Eliminates services to In-Home and to the adult foster home client participation which provides services to 196 clients with a monthly average of \$686 cost per case.				
13	3	DHS	AMH	Cut remaining State Delivered Secure Residential Treatment Facilities These are two 16 bed secure facilities under development that are staffed by state employees and serve people discharged from OSH under the PSRB whose risk is not easily managed by the local government or nonprofit programs.	(4,674,168)					(3,409,381)												(71)	(71.00)						Clients ready to move out of the Oregon State Hospital and into a Secure Residential Treatment Facility (SRTF) will face delays in taking this next step in recovery. This reduction will also increase the length of time clients spend at OSH and contribute to ongoing overcrowding at the hospital.					
14	5	DHS	CAF	Substitute Care: Eliminate Crisis Case Management program. 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.	(52,853)			(11,312)			(220,845)																			The elimination of crisis case management will result in the loss of 70 contracted placement days of emergency shelter services in the Tri-County area (Clackamas, Multnomah, and Washington). The impacted counties will be required to utilize an already overburdened family foster care system for emergency placements.				
15	3	DHS	DMAP	Change diagnostic related group (DRG) hospital inpatient reimbursement to the Medicare payment methodology for managed care organizations only (MCOs), effective January 1, 2011. Changing the reimbursement rate will change the method for determining the amount paid to MCOs for inpatient services provided by diagnostic related group hospitals (those with 50 beds or more). The method will switch from a cost-based calculation to one based on the Medicare payment system for DRG hospital inpatient services. Savings from these changes are estimated at 2 percent of the DRG inpatient hospital component of the per person payment rates.	(1,357,456)			(522,040)			(3,228,210)																		Rates based on Medicare are typically less than the cost of services. Reduced reimbursement to hospitals will cause more costs to be shifted to other payers. If access to services is limited, health outcomes for OHP clients will suffer.					
16	4	DHS	SPD - APD	Eliminate Medicaid Home Delivered Meals Program - Eliminate the home delivered meal benefit affecting approximately 870 senior and people with physical disabilities each month.	(1,109,057)						(2,342,621)																		Eliminate Medicaid Home Delivered Meals Program - Eliminate the home delivered meal benefit affecting approximately 870 senior and people with physical disabilities each month. Services will shift to natural supports or to Home Care Workers to assist client.					
17	4	DHS	AMH	Cut Capital Improvement Budget - funds used for capital improvements at state operated facilities; Oregon State Hospital, Blue Mountain Recovery Center and EOTC.	(663,128)																								A reduction in the Capital Improvement budget will slow much needed maintenance and updating projects to state hospital facilities. For example, the Blue Mountain Recovery Center will continue to operate with inadequate and outdated kitchen facilities.					
18	6	DHS	CAF	Child Safety: Eliminate Supportive Remedial Day Care. This service is part of the Family Based Services program within the Child Safety program for children who enter the system due to child abuse or neglect. SRDC is available to parents and is intended to help prevent the placement of the child into substitute care, facilitate the child's return to a parent, assist the parent in meeting a child's special needs, allow the parent to participate in case plan activities, maintain a child's placement that may be in jeopardy due to caregiver illness or assist in stabilizing a placement. This program reduction will also have an impact on Relief Nurseries which provide services to some Supportive Remedial Day Care clients. According to the Status of Children report, there were a total of 499 families receiving 616 services in FFY 2008.	(1,821,165)			(14,375)			(267,236)																		Reduction in this component of the Family Based Services program will result in children remaining in foster care longer and or being put in foster care rather than being served while at home. This reduction will impact child welfare's ability to: 1) safely and equitably reduce the number of children in foster care; 2) improve its work on behalf of children and families of color; and 3) adequately support parents to safely care for their own children in their own home. This program reduction will also have an impact on Relief Nurseries which provide services to some Supportive Remedial Day Care clients.					

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Dept	Prgm/ Div			<p><b>Note: DHS budget reduction options have been priced using the latest, preliminary Fall 2009 program caseload forecasts. This assumes that the 2009-11 budget will be adjusted to reflect these levels. DHS reduction pricing will change as these caseload forecasts change throughout the biennium.</b></p>												
19	4	DHS	DMAP	(1,090,286)			(506,413)			(2,799,847)			\$ (4,396,546)		Rates based on Medicare are typically less than cost of services. Reduced reimbursement to hospitals will cause more costs to be shifted to other payers. If access to services is limited, health outcomes for OHP clients will suffer.	
20	5	DHS	SPD - APD	(6,298,740)			(6,488)			(27,956)			\$ (6,333,184)	-1	-0.5	Eliminate Oregon Project Independence (OPI) OPI served 3,000 older Oregonians last year. 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.
21	5	n	DMAP	(1,000,000)						(2,108,486)			\$ (3,108,486)		Clients will benefit from shorter hospitalizations, improved access to services and coordinated and integrated care.	
22	5	DHS	AMH	(11,869,776)						-			\$ (11,869,776)		A 5% reduction will significantly affect an estimated 3,725 Oregonians with mental health issues attempting to move towards a more independent life. Cutting or eliminating services on the community level may result in homelessness, incarceration, disability and death. In addition, those in need of civil commitment may not receive services. Without adequate community services the pressure on the state to provide these services at the state hospital will increase. Lastly, reductions jeopardize the Maintenance of Effort requirements for the Mental Health Block Grant, and may require suspension of civil commitment statutes.	
23	6	DHS	DMAP	(3,644,008)			(2,189,682)			(12,707,360)			\$ (18,541,050)		This reduction will mean that hospitals would have less incentive to train new physicians. The impact on the provider workforce may limit access to quality health care for all Oregonians.	
24	7	DHS	DMAP	(2,329,802)			(649,938)			(6,406,228)			\$ (9,385,968)		To the extent that the administrative burden doesn't decrease commensurate with the half percent per person rate reduction, MCOs will have less money to pay for medical, dental and mental health services for enrolled OHP clients. Access to services for OHP clients may be limited, causing health outcomes to suffer.	
25	8	DHS	DMAP	(2,028,568)						(4,730,751)			\$ (6,759,319)		Reduction in pharmacy reimbursement may cause some pharmacies to stop serving OHP clients. Clients in rural areas may have to travel further to fill their prescriptions. Pharmacies may fail affecting entire communities.	

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26	9	DHS	DMAP												A reduction in rates may cause some DME providers to stop participating in the program, creating access problems for clients in areas with few providers. Access problems will cause longer hospital stays increasing costs for inpatient services. Clients who need complex wheelchairs may be dramatically affected. It will be very difficult for them to obtain wheelchairs to meet their needs for mobility, functioning and living in the least restrictive setting.
27	10	DHS	DMAP												Providers submitting paper claims would experience a delay in their payments.
28	11	DHS	DMAP												Some clients will have to change where they receive their medications. All clients will have the benefit of disease management services.
29	12	DHS	DMAP												This may create access problems. Some MCOs may have to spend reserves to maintain appropriate access or health outcomes for OHP clients will suffer.
30	13	DHS	DMAP												The mail order program saves the division money in drug costs. Because the program will be voluntary, negative impacts on clients will be minimal.
31	2	DHS	PHD												Reduces expansion funding in client family planning services, effective May 1, 2010, by cutting services such as birth control for low income women and teens. The Family Planning Expansion Program (FPEP) has a 9:1 federal match rate, and a \$2.6 million reduction in state general fund would result in a total of \$26 million reduction in expansion services. This \$26 million reduction represents an estimated 96,798 potential clients that would not be offered Family Planning Services. This reduction decreases resources available to local providers, mainly county health departments. Program analysis demonstrates that births not averted by Family Planning Services can cause an additional cost burden on states. The potential consequence of not providing 96,798 clients with family planning services could result in an estimated 4,214 additional Medicaid births, costing Oregon \$10.4 million in costs associated with Medicaid births.
32	7	DHS	CAF												This reduction would eliminate all low income two parent families from the caseload. The loss of this program may result in families choosing to split apart to ensure fiscal support for their children and/or to avoid becoming homeless. An estimated 52% or 1,500 households are estimated to end up back on TANF as a single-parent household. The calculations have considered this offset. This reduction may impact ability to meet MOE for TANF (or CCDF) and reduce amount of TANF stimulus revenues available to Oregon depending on overall program funding decisions and caseload levels through June 2010.



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Dept	Prgm/ Div			<p style="color: red; font-weight: bold;">Note: DHS budget reduction options have been priced using the latest, preliminary Fall 2009 program caseload forecasts. This assumes that the 2009-11 budget will be adjusted to reflect these levels. DHS reduction pricing will change as these caseload forecasts change throughout the biennium.</p>												
40	9	DHS	SPD - APD	In-Home Care Program: Limit authorization of instrumental activities of daily living hours (meal preparation, housekeeping, etc) to 50% of activities of daily living hours. Essential ADLs related to eating, dressing, grooming, personal hygiene, mobility (ambulation and transfer), elimination (toileting, bowel and bladder management), and cognition/behavior will continue to be reimbursed at the assessed hours needed. Homecare Worker (HCW) hours will reduce by approximately 25%, with an estimated 606 HCWs losing health care benefits [Note: Federal courts in Washington and California have halted reductions to in-home hours similar to these proposed reductions] In-Home agencies will also have reductions	(11,251,422)					(24,581,725)			\$ (39,171,156)	-1	-0.5	In-Home Care Program: Limit authorization of instrumental activities of daily living hours (meal preparation, housekeeping, etc) to 50% of activities of daily living hours. Essential ADLs related to eating, dressing, grooming, personal hygiene, mobility (ambulation and transfer), elimination (toileting, bowel and bladder management), and cognition/behavior will continue to be reimbursed at the assessed hours needed. There would be a greater reliance on natural supports and existing community resources, which may or may not be sufficient or available to meet an individual's actual needs. An individual may experience a decline in well-being and functional abilities due to inadequate assistance with IADL's that impact health, such as medication management and meal preparation. There is the potential for decline in functional abilities because the overall daily number of hours would be reduced, leaving an individual with greater needs alone longer without assistance. In turn, this could result in the need for a higher number of ADL hours.
41	9	DHS	AMH	Reduce Service and Supply administrative expenditures at Blue Mountain Recovery Center.	(373,012)					-			\$ (373,012)			Last biennium, the Blue Mountain Recovery Center implemented cost saving measures and it will continue to practice these measures through the 2009-11 biennium. Costs saving measures include strict management of all overtime, delaying non-essential facility maintenance and improvement, restricting employee travel and training.
42	10	DHS	SPD - DD	Reductions to DD Support Services Waiver - This program operates under a Settlement Agreement as a result of a law suit filed regarding limiting access to services for people with developmental disabilities. The settlement requires any adult, not in 24 hours services to get access to Support Services. Support Services is a program with a capped financial benefit for each person. Eliminating or limiting enrollment would create a wait list for this service and could potentially result in further legal action. It would also require a change in the Medicaid Home and Community Based Waiver.	(503,754)					(718,214)			\$ (1,221,968)			Reductions to DD Support Services Waiver - This program operates under a Settlement Agreement as a result of a law suit filed regarding limiting access to services for people with developmental disabilities. The settlement requires any adult, not in 24 hours services to get access to Support Services. Support Services is a program with a capped financial benefit for each person. This action would reduce services to an estimated 300 clients with a monthly average of \$626.65 per case.
43	10	DHS	AMH	Maintain current vacancies at Blue Mountain Recovery Center	(958,452)					-			\$ (958,452)			The majority of the vacancy savings comes from these four positions: two physician specialists, one supervising physician, and the director of nursing. A director of nursing is required for licensure and is currently filled by the BMRC superintendent. Due to the amount of workload this situation cannot continue. The continued inadequate staffing of the facility will jeopardize the ability fill these vacancies in the future.
44	11	DHS	AMH	Delay staging of new positions at OSH new facility, granted in 2009-11 Policy Option Package (POP), by 3 months.	(6,514,886)					(125,480)			(69,786)	\$ (6,710,152)		This reduction delays the hiring of new positions funded in the 2009-11 budget for staffing by 3 months. This may delay the transfer of patients to the new facility, but will not delay the current building schedule.
45	14	DHS	DMAP	Eliminate specific Medicaid optional services, effective September 1, 2010. This will eliminate some services considered optional under federal Medicaid regulations for non-pregnant adults age 21 and older currently covered under the OHP Plus benefit package.	(639,946)					-			(1,288,764)	\$ (1,928,710)		Eliminated services will include access to prosthetic devices, hearing aids, chiropractic services and podiatry services. Clients needing these services are among our most vulnerable. They will have difficulty becoming self-sufficient and their overall health and quality of life will suffer.
46	15	DHS	DMAP	Add mental health medications to the enforceable preferred drug list, effective September 1, 2010. This will require adherence to the Preferred Drug List (PDL) for mental health medications. Exceptions to the PDL will be administered by prior authorization. An enforceable PDL for mental health medications will increase usage of preferred drugs from 66 to 80 percent. There will be no limitations on access to prescriptions for this reduction. Before being placed on the PDL, drugs are subjected to rigorous evidence review. Thereafter, prescribing and patient utilization behaviors are managed by the prospective and retrospective drug utilization reviews and provider education.	(2,710,568)					227,329			(5,118,973)	\$ (7,602,212)		This reduction will be a policy change that extends beyond the political agreements reached last legislative session on pharmacy issues. Many mental health organizations, including the National Alliance of Mental Illness (NAMI), strongly oppose putting mental health drugs on an enforceable PDL stating that many drugs have little research or outcome data to be evaluated properly and that a generic replacement may be catastrophic for a patient, causing far reaching health care issues.

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Dept	Prgm/ Div			<p><b>Note: DHS budget reduction options have been priced using the latest, preliminary Fall 2009 program caseload forecasts. This assumes that the 2009-11 budget will be adjusted to reflect these levels. DHS reduction pricing will change as these caseload forecasts change throughout the biennium.</b></p>										
47	16	DHS	DMAP	(1,030,143)		(128,876)		(2,375,075)		\$ (3,534,094)			This reduction will be a policy change that extends beyond the political agreements reached last legislative session on pharmacy issues.	
48	17	DHS	DMAP	(309,783)				(631,757)		\$ (941,540)			This may reduce access to services. Clients may have to travel further to find participating providers. Reducing ambulance transportation rates may cause some ambulance companies to fail, affecting entire communities. Response times and the quality of service may suffer. Reducing DME will impact the ability of seniors and people with disabilities to live independently. Reducing vision rates may affect the financial viability of the qualified rehabilitation facility vendor that the division contracts with for many services.	
49	19	DHS	DMAP	(3,671,066)				(8,369,163)		\$ (12,040,229)			To the extent that plans and their providers are unable to collect copays, they will have less money available to pay for medical or dental services. Some managed care organizations may have to spend reserves to maintain access or health outcomes for OHP clients will suffer.	
50	20	DHS	DMAP	(5,055,139)				(10,647,547)		\$ (15,702,686)			With significantly reduced dental coverage, clients are more likely to have unmet dental needs that negatively impact overall physical health, especially seniors and people with disabilities. Reduced dental coverage will also lead to more emergency room visits, shifting costs onto fully capitated health plans and hospitals. Uncompensated care provided by hospitals will ultimately lead to higher premiums for insured patients.	
51	8	DHS	CAF	(20,396,976)			(45,805)	(373,728)		\$ (20,816,509)		(7.4)	Families losing cash assistance may need to rely solely on their SSI income to support the family needs. This reduction may result in increased demand for Family Support & Connections or child welfare services as child safety risk factors may increase due to the economic stressors. This action would negatively impact the Family Pre-SSI/SSDI program, removing a primary incentive for TANF families to participate in pursuing SSI benefits. This represents a substantial policy shift for DHS and its support for Oregonians with disabilities.	
52	11	DHS	SPD - DD	(6,944,415)				(23,090,505)		\$ (30,034,920)			Eliminate DD Employment & Community Inclusion Program - This program provides supported employment and community activities for people with developmental disabilities living in 24 hour residential programs. This program was reduced by 13% total funds in the 2009-11 Legislatively Adopted Budget. A full elimination of this program will require additional funding for residential providers in the amount of \$400 per month for each client. Funding is for additional staffing coverage not currently being provided while clients are involved in day programs and community activities and would need to be shifted from the day program to the residential program. This would require approval from Medicaid to eliminate the benefit in the Medicaid Home and Community Based Waiver.	

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Dept	Prgm/ Div															<p style="color: red; text-align: center;">Note: DHS budget reduction options have been priced using the latest, preliminary Fall 2009 program caseload forecasts. This assumes that the 2009-11 budget will be adjusted to reflect these levels. DHS reduction pricing will change as these caseload forecasts change throughout the biennium.</p>																		
53	21	DMAP	<p><b>Eliminate the remainder of adult dental coverage for OHP Plus and OHP Standard benefit packages, effective September 1, 2010.</b> This will eliminate remaining dental services for non-pregnant adults, age 21 and older, who are covered under the OHP Plus benefit package and clients receiving the OHP Standard benefit package. Hospital provider tax revenue saved would be repurposed to offset General Fund.</p>													(2,858,936)		-			(6,027,397)		\$ (8,886,333)			<p>Without dental coverage, clients' overall physical health will be negatively affected, especially seniors and people with disabilities. This will lead to higher emergency room visits, shifting costs onto fully capitated health plans and hospitals. Uncompensated care provided by hospitals will ultimately lead to higher premiums for insured patients. The dental care organizations (DCOs) may not be financially viable with the loss of adult dental coverage. Should the state later have funds to reinvest in adult dental, the DCO delivery system may not be able to reestablish itself.</p>								
54	11.5	DHS	AMH	<p><b>AMH - second level - targeted Non-program/Administrative budget reductions:</b> Due to budget shortfalls in the 2007-09 biennium, DHS PHD implemented hiring delays, selected non-direct service position freezes and stringent limitation or elimination of out of state travel and further restrictions in all other non-payroll cost categories (supplies, professional services, etc). These actions were continued into 2009-11 due to the 4% Personal Services and 2% Services and Supplies reductions that were taken by the 2009 legislature and to cover other necessary costs. DHS second 1.5% dollar targeted budget reduction efforts in its non-program budgets. To achieve these reductions, hiring delays and selected position freezes have been put into place along with stringent limitation or elimination of out of state travel and further reductions in all other non-payroll cost categories (supplies, professional services, etc).</p>													(240,094)		-					\$ (240,094)			<p>DHS/AMH has implemented dollar targeted budget reduction efforts in its non-program budgets. To achieve these reductions, hiring delays and selected position freezes have been put into place along with stringent limitation or elimination of out of state travel and further reductions in all other non-payroll cost categories (supplies, professional services, etc).</p>							
55	8.5	DHS	CAF	<p><b>CAF - second level - targeted Non-program/Administrative budget reductions:</b> Due to budget shortfalls in the 2007-09 biennium, DHS CAF implemented hiring delays, selected non-direct service position freezes and stringent limitation or elimination of out of state travel and further restrictions in all other non-payroll cost categories (supplies, professional services, etc). These actions were continued into 2009-11 due to the 4% Personal Services and 2% Services and Supplies reductions that were taken by the 2009 legislature and to cover other necessary costs. To achieve further reductions at the 1.5% level, CAF may need to expand hiring delays to direct service staff. To achieve the second 1.5% it will be necessary to expand hiring delays to direct service staff. Delays and other impacts on direct service and non-direct service staff will affect services provided by CAF to the citizens of Oregon especially when combined with the impact of rising caseloads and office closures.</p>													(1,946,419)		-					\$ (1,946,419)			<p>Freeze on the non-direct service positions over time will impact the quality and timeliness of our service delivery to the Field and external partners.</p>							
56	21.5	DHS	DMAP	<p><b>DMAP - second level - targeted Non-program/Administrative budget reductions:</b> DHS first priority is to implement budget reductions in non-program areas - this is the second level of these reductions. Cost savings will be achieved through hiring delays, select position freezes, stringent limitations on or elimination of out of state travel and further reductions in all other non-payroll cost categories (supplies, professional services, etc).</p>													(475,664)						(475,664)		\$ (951,327)									



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				<p><b>Note: DHS budget reduction options have been priced using the latest, preliminary Fall 2009 program caseload forecasts. This assumes that the 2009-11 budget will be adjusted to reflect these levels. DHS reduction pricing will change as these caseload forecasts change throughout the biennium.</b></p>																					
62	13	DHS	SPD - DD Elimination of DD Support Services Waiver - This program operates under a Settlement Agreement as a result of a law suit filed regarding limiting access to services for people with developmental disabilities. The settlement requires any adult, not in 24 hours services to get access to Support Services. Support Services is a program with a capped financial benefit for each person. Elimination could potentially result in further legal action and would also require elimination of the Medicaid Home and Community Based Waiver. (It could not be done while Oregon is receiving ARRA funds.) Would require change to commitment statutes to remove court authority to commit a person back to care and custody of the state.	(12,490,928)				(18,677,169)		\$ (31,168,097)	-4	-0.52	This program operates under a Settlement Agreement as a result of a law suit filed regarding limiting access to services for people with developmental disabilities. The settlement requires any adult, not in 24 hours services to get access to Support Services. Support Services is a program with a capped financial benefit for each person. Elimination of this program could potentially result in further legal action and would require change to commitment statutes to remove court authority to commit a person back to care and custody of the state. This action eliminates services to over 7,000 clients with a monthly average of \$626.65 per case and includes total elimination of 12 brokerages.												
63	22	DHS	DMAP Implement more restrictive selection criteria for medications on the Preferred Drug List (PDL), effective January 1, 2011. Medications on the PDL will have to be among the 25 percent least expensive in their class, as opposed to being among the 50 percent least expensive drugs in their class.	(511,682)		(63,738)		(1,642,561)		\$ (2,217,981)			Many new clients and their providers will have to change their current prescriptions to drugs making the list based on the new criteria. Clients may experience negative impacts to the extent that the policy interferes with the ability of the prescriber and patient to pursue the desired course for treatment.												
64	23	DHS	DMAP Eliminate coverage for pregnant women who are above 133 percent of the federal poverty level, effective January 2011. This eliminates Medicaid eligibility considered optional by the federal government for pregnant women applying for the Oregon Health Plan with income at or above 133 percent of the federal poverty level. Pregnant women on the program on the effective date of implementation (with incomes up to 185 percent of the FPL) will remain eligible through the end of their pregnancy.	(1,785,536)				(3,010,425)		\$ (4,795,961)			Hospitals and other providers will experience an increase in uncompensated care that will be shifted to other payers. Without coverage, some pregnant women will not receive prenatal care that helps avoid high cost deliveries and expensive newborn health problems. Health outcomes for both mothers and the newborns will suffer.												
65	24	DHS	DMAP Eliminate the breast and cervical cancer medical program, effective January 1, 2011. Uninsured women who have been diagnosed with breast and cervical cancer through the Breast and Cervical Cancer (Screening) Program will not have access to treatment. Women currently on the program will lose health coverage to pay for their treatment. Newly diagnosed women would not have health coverage to start treatment.	(1,800,961)		(302,784)		(5,968,950)		\$ (8,072,695)			Health outcomes will severely suffer.												
66	3	DHS	PHD OCHHP - Eliminates GF support to the Emergency Medical Services and Trauma System - The Trauma Survey and Registry Program conducts inspections of hospital emergency rooms and maintains a database for hospital care provided to trauma patients. This is used extensively for quality improvement efforts and to reduce morbidity and mortality rates. The two Mobile Training Units are staffed by paramedical trainers to provide training equipment and required continuing education courses to Emergency Medical Technicians, including volunteers, in rural and frontier areas. The Emergency Medical Services for Children program helps provide quality and effective emergency medical care to sick and injured children.	(725,988)						\$ (725,988)	(6)	(3.00)	Loss of the Trauma Registry and Survey Program would eliminate state inspections and quality improvement activities in hospital emergency departments and eliminate state coordination of trauma resources in the event of a natural disaster involving trauma patients. Elimination of the Mobile Training Unit Program would result in reduced staffing for some ambulance agencies, particularly in rural areas that rely on volunteer emergency responders. Loss of the Emergency Medical Services for Children Program will reduce the quality improvement and training for emergency responders.												
67	13	DHS	AMH Reduce A & D Community Program Contracts by additional 5% (10% total) - reduce services such as intensive treatment and recovery services (ITRS) for children and families in the welfare system, youth outreach and support, adolescent treatment, treatment for clients in drug courts, residential treatment services, drug free housing and outpatient services offered as part of the continuum of care.	(1,848,188)						\$ (1,848,188)			An additional 5% cut in community alcohol and drug programs will significantly reduce or eliminate services to another 3,580 at-risk youth and adults. Services in jeopardy include access to programs designed to prevent involvement in juvenile justice and the child welfare system. In particular, children will not be able to accompany their parents in alcohol and drug residential treatment. The impact of these cuts will cost every Oregonian by increasing the costs of other publicly funded systems including jails and child welfare. These reductions jeopardize federal funding for these programs by risking achievement of Maintenance of Effort requirements for the Substance Abuse Prevention & Treatment (SAPT) Block Grant.												
68	14	DHS	SPD - DD 5% Reduction in DD Comprehensive 24 hour Medicaid Waivered Service Rates - This proposal makes an active reduction in service rates and includes State Operated Community Programs. This action will promote staff instability which effects quality and will limit the system's ability to place individual's with the most significant care needs.	(7,204,600)		(128,305)		(13,329,523)		\$ (20,662,428)			5% Reduction in DD Comprehensive 24 hour Medicaid Waivered Service Rates - This proposal makes an active reduction in service rates and includes State Operated Community Programs. This action will promote staff instability which effects quality and will limit the system's ability to place individual's with the most significant care needs.												

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Dept	Prgm/ Div			<p><b>Note: DHS budget reduction options have been priced using the latest, preliminary Fall 2009 program caseload forecasts. This assumes that the 2009-11 budget will be adjusted to reflect these levels. DHS reduction pricing will change as these caseload forecasts change throughout the biennium.</b></p>												
69	15	DHS	SPD - APD	(8,265,959)		(1,342,831)		(20,167,497)		\$ (29,776,287)	-1	-0.5	<p>This action limits authorization of instrumental activities of daily living hours further to 20% of activities of daily living hours. Homecare Worker hours will reduce by an additional 15% (40% total), with an additional 1,018 HCWs (1,658 total) losing health care benefits. [Note: Federal courts in Washington and California have halted reductions to in-home hours similar to these proposed reductions]. In-Home agencies will also have reductions.</p>			
70	14	DHS	AMH		(577,880)					\$ (577,880)			<p>An additional 5% cut in statewide problem gambling prevention and treatment program will greatly destabilize the treatment system and may result in program closures. An estimated additional 265 Oregonians and their families per year will be affected.</p>			
71	15	DHS	AMH	(979,116)						\$ (979,116)			<p>The elimination of 12 positions at BMRC will result in the reduction of client services and may lead to increased overtime costs. If client safety cannot be maintained following layoffs, the center will be forced to decrease the amount of clients it can admit. This will create added stress in the acute care system and at OSH.</p>			
72	16	DHS	AMH	(4,747,911)						\$ (4,747,911)			<p>An additional 2% in reductions will significantly affect an estimated 1,495 Oregonians with mental health issues attempting to move towards a more independent life. Cutting or eliminating services on the community level may result in homelessness, incarceration, disability and death. In addition, those in need of civil commitment may not receive services. Without adequate community services the pressure on the state to provide these services at the state hospital will increase. Lastly, reductions jeopardize federal funding of these programs by risking achievement of the Maintenance of Effort requirements for the Mental Health Block Grant, and may require suspension of civil commitment statutes.</p>			
73	17	DHS	AMH	(739,274)						\$ (739,274)			<p>An additional 2% cut in community alcohol and drug programs will significantly reduce or eliminate services to an estimated 1,430 at-risk youth and adults. Services in jeopardy include access to programs designed to prevent involvement in juvenile justice and the child welfare system. In particular, children will not be able to accompany their parents in alcohol and drug residential treatment. The impact of these cuts will cost every Oregonian by increasing the costs of other publicly funded systems including jails and child welfare. These reductions jeopardize federal funding for these programs by risking achievement of Maintenance of Effort requirements for the Substance Abuse Prevention &amp; Treatment (SAPT) Block Grant.</p>			

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Dept	Prgm/ Div			<b>Note: DHS budget reduction options have been priced using the latest, preliminary Fall 2009 program caseload forecasts. This assumes that the 2009-11 budget will be adjusted to reflect these levels. DHS reduction pricing will change as these caseload forecasts change throughout the biennium.</b>																					
74	4	DHS	PHD	<p><b>ODPE - Reduces GF support in the Human Immunodeficiency Virus/Sexually Transmitted Disease/Tuberculosis (HIV/STD/TB) Program.</b> The HIV/STD/TB Program analyzes and reports epidemiologic data on HIV, STD and TB infections; with a variety of partners (e.g. local health departments, community-based organizations, other state agencies) develops, implements and evaluates evidence-driven population-based prevention programs; educates Oregonians about the impact of HIV, STD and TB infections; assists in the development of local and national public policy related to the prevention and care of these infections; coordinates with and informs other agencies of the services available to persons affected by these diseases; and assists people living with HIV/AIDS in accessing HIV medical care and treatment.</p>			(758,333)							\$	(758,333)			Reduces state support for tuberculosis (TB) investigation, case management and medications; failed treatment of TB, development of antibiotic resistance and additional transmission of TB would be the likely consequence in approximately 18 new cases; reduces state purchase and distribution of medications to treat sexually transmitted disease (STDs) in Oregon and in client follow-up and contact tracing services for STDs; 7540 patients would not receive medication, and approximately 452 clients with STD would not be interviewed or notified of potential exposure; reduction in Human Immunodeficiency Virus (HIV) testing at counseling and testing centers statewide, which would mean approximately 1,500 clients would not be counseled or tested for HIV; reduction in distribution to counties for HIV case management and support services; 189 clients would not receive case-management services and 93 clients will not receive support services; could delay care, leading to disease progression and additional unnecessary transmission of HIV to others; reductions in all of these program areas would likely contribute to job losses at the local level. Most of these funds are obligated to Local Health Departments through their financial assistance agreements, and therefore, would require a minimum of 30 days notification.							
75	9	DHS	CAF	<p><b>Self-Sufficiency: Count all Children's Social Security income in determining TANF eligibility.</b> Currently the SSI income of children are fully excluded from income consideration for TANF eligibility and benefit amount calculations. The current SSI payment is \$674. This reduction would not exclude any SSI income, and would affect 951 cases/month. This reduction may impact ability to meet MOE for TANF (or CCDF) and reduce amount of TANF stimulus revenues available to Oregon depending on overall program funding decisions and caseload levels through June 2010.</p>			(7,959,003)		(19,631)		(160,169)	\$	(8,138,803)	(3.2)	Families losing cash assistance may need to rely solely on their SSI income to support the family needs. This reduction may result in increased demand for Family Support & Connections or child welfare services as child safety risk factors may increase due to the economic stressors. This action would negatively impact the Family Pre-SSI/SSDI program, removing a primary incentive for TANF families to participate in pursuing SSI benefits. This represents a substantial policy shift for DHS and its support for Oregonian's with disabilities.										
76	10	DHS	CAF	<p><b>Self-Sufficiency: Reduce the maximum payment threshold for ERDC to the 65th percentile of the 2006 Market Rate Study.</b> The maximum payment rate for Licensed and Registered child care providers would be decreased from the 75th percentile to the 65th percentile of the 2006 Market Rate study. The license-exempt providers, who are paid at a lower rate than the licensed group, would be paid at 88% of the maximum Oregon subsidy rate for child care (95% for Enhanced). This reduction will limit low-income families' ability to find stable quality child care, which may put their ability to maintain employment at risk. About 7,595 cases/mo would be impacted.</p>			\$ (2,621,263)					\$	(2,621,263)		This reduction would limit low-income families' ability to find stable quality child care which would negatively impact child safety and child development. Instability in child care arrangement often makes it more difficult for low income families to remain employed. Families who cannot maintain employment because they can no longer afford their child care may apply for unemployment and TANF. This reduction will also need to be negotiated with both AFSCME and SEIU to be implemented due to the state's collective bargaining agreements with represented providers receiving subsidies.										
77	5	DHS	PHD	<p><b>ODPE - Further Reduces GF support in the Human Immunodeficiency Virus/Sexually Transmitted Disease/Tuberculosis (HIV/STD/TB) Program areas.</b> The HIV/STD/TB Program analyzes and reports epidemiologic data on HIV, STD and TB infections; with a variety of partners (e.g. local health departments, community-based organizations, other state agencies) develops, implements and evaluates evidence-driven population-based prevention programs; educates Oregonians about the impact of HIV, STD and TB infections; assists in the development of local and national public policy related to the prevention and care of these infections; coordinates with and informs other agencies of the services available to persons affected by these diseases; and assists people living with HIV/AIDS in accessing HIV medical care and treatment.</p>			(875,000)						\$	(875,000)		In addition to description of the Human Immunodeficiency Virus/Sexually Transmitted Disease/Tuberculosis (HST) reduction above, this reduction would reduce state support for AIDS Drug Assistance Program (ADAP) by 21% in the current biennium (32% if biennialized), which could mean the establishment of a waiting list for what is a safety net program for persons with HIV and AIDS and an increase in co-pays for some HIV-infected persons; persons whose drug therapy is interrupted have a significant increased risk of developing viral strains that are resistant to existing therapies and would result in an increased progression of disease which could result in an additional 35 deaths (est.) in Oregon; HIV infected persons who are not on drug therapy are more likely to cause new infections in the community because HIV is not suppressed by prescription drug therapy or individuals have the ability to pass drug resistant strains as new infections. We can not expect these									
																Oregonians to shift to other local or state social programs because, in most cases, the CAREAssist Program is the payor of last resort and has been the safety net for these clients. The combination of both HST cuts could result in a match shortfall for Ryan White program.									

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Dept	Prgm/ Div			<b>Note: DHS budget reduction options have been priced using the latest, preliminary Fall 2009 program caseload forecasts. This assumes that the 2009-11 budget will be adjusted to reflect these levels. DHS reduction pricing will change as these caseload forecasts change throughout the biennium.</b>																											
78	11	DHS	CAF	<b>Self-Sufficiency: Eliminate Cooperation Incentive Payment (COI) as a supplement to TANF grants.</b> The COI is a monthly payment added to the TANF cash grant. The COI amount varies based on family size. Currently, a TANF grant for a family of three is \$485 per month. With the COI, the family may receive \$528 (an additional \$43) if they are participating in self-sufficiency activities. Currently, 95 percent of families on TANF receive the COI payment. This reduction would affect 24,745 cases/month. reduction may impact ability to meet MOE for TANF (or CCDF) and reduce amount of TANF stimulus revenues available to Oregon depending on overall program funding decisions and caseload levels through June 2010.										(10,171,812)											\$ (10,171,812)			This reduction will result in an immediate reduction to the TANF grant. Families receiving TANF will have less income to meet their basic needs and may not be able to meet obligations of rent, utilities, clothing and transportation. It may put some at further risk for homelessness and the need to rely on community programs.			
79	12	DHS	CAF	<b>Self-Sufficiency: Eliminate enhanced grant for Pre-SSI/SSDI clients.</b> This enhanced payment helps encourage families to apply for SSI services which, once received, allow the family to receive SSI benefits. Its elimination would result in less money available for approximately 1,031 families per month.										(1,532,273)												\$ (1,532,273)			This reduction will result in an immediate reduction to the Pre-SSI grant. Families receiving the Pre-SSI grant will have less income to meet their basic needs and may need to rely on community programs.		
80	13	DHS	CAF	<b>Self-Sufficiency: Eliminate Family Support &amp; Connections.</b> The Family Support & Connections program provides prevention services to families at risk of child welfare involvement. This program is among the very few resources the Department has invested in child abuse prevention. Currently 345 new families with significant safety risk factors are served per month.										(1,768,653)													\$ (1,768,653)			This reduction will reduce family interventions affecting children living in at risk situations. It will eliminate a critical early safety intervention for children at risk of abuse and neglect. Families who lose services from this program may not be able to maintain stability, which may result in additional children coming into foster care. Additionally, this program is a fall-back for other items on the CAF reduction list. Eliminating this service will amplify effects of other proposed cuts should they be implemented.	
81	14	DHS	CAF	<b>Child Safety: Eliminate System of Care (SOC).</b> System of Care funds provide services crafted to meet the individual needs of children and families. These services are flexible and responsive to meet family needs in the least restrictive method possible. The proposed reduction would entirely eliminate the program except for funds set aside for court ordered transportation.										(2,609,712)			(185,668)		(2,415,742)								\$ (5,211,122)			Given the individualized application of SOC services, they provide for special consideration for a family's cultural preferences. Because of previous reductions, elimination of this funding will mean more children coming into care, longer stay in care, decreased ability to return children home to their parents, and decreased ability to meet the child's needs. Reduction of this general fund may jeopardize the IV-B federal funds of up to \$4 million since match for this grant is from the SOC program but the Federal Funds are used to fund other child welfare programs. Budget is currently analyzing whether other unmatched state funds would be available to prevent further reductions in child welfare services.	
82	15	DHS	CAF	<b>Child Safety: Eliminate Family Support Teams (FTS) program.</b> Sixty to seventy percent of all child welfare cases involve parents with addiction issues. FTS allows caseworkers to access Alcohol & Drug trained staff to assist clients in eliminating barriers to treatment, tracking clients whose attendance at treatment falters, and assisting clients with return home plans by supporting parents in early recovery with these transitions. They also transport clients, thus reducing the burden of referral, tracking, and case management from the child welfare caseworker by attending court dates, and making home visits that support home safety plans. The proposed reduction would eliminate the entire program.										(1,157,310)			(162,162)		(2,082,752)									\$ (3,402,224)			The lack of these services will likely mean more and longer foster care placements, higher re-abuse rates, a decline in clients entering treatment quickly, and an increase in clients who struggle with treatment being supported toward sustaining their recovery. It also adds workload back onto caseworkers of Alcohol & Drug referral, transport, tracking and case management. The ability of these workers to relate to and support parents as they navigate a complex court and child welfare system as well as their ability to recognize behaviors consistent with relapse are critical to sustaining recovery. Additionally, this general funds serves as the match for the IV-B Part 2 and would reduce federal funds by up to \$3,471,930 which is used to fund this and other child welfare programs. Budget is currently analyzing whether other unmatched state funds would be available to prevent further reductions in child welfare services.

DEPARTMENT OF HUMAN SERVICES

2009-11 Biennium

Agency Number: 10000

Detail of 10% Reduction to 2009-11 Legislatively Approved Budget Level

		5													6		7		8		9		10		11		12		13		14		15	
Priority (ranked with highest priority first)	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																					
Dept	Prgm/ Div			<b>Note: DHS budget reduction options have been priced using the latest, preliminary Fall 2009 program caseload forecasts. This assumes that the 2009-11 budget will be adjusted to reflect these levels. DHS reduction pricing will change as these caseload forecasts change throughout the biennium.</b>																														
83	16	DHS	CAF	<b>Substitute Care: Reduce Behavioral Rehabilitation Services (BRS) rates by 10 percent.</b> In 2007-09, the Legislature provided funding for an increase to BRS providers following a study using Oregon Wage Information that established a significant discrepancy between the rate demanded by the market and the rate previously paid to providers by DHS. The Legislature further directed that DHS and Oregon Youth Authority reach parity of rates for BRS services. BRS rates were not increased in the 09-11 LAB. The Treatment Services and Licensing Unit currently has approximately 61 BRS contracts with licensed child care agencies. There are 460 contracted beds in BRS Programs across the state to serve this high need population in CAF. This reduction was taken, but bought back by the 2009 Legislature.				(1,275,972)			(137,405)			(1,650,374)		\$	(3,063,751)			The loss of revenue to providers, especially smaller BRS Programs, may jeopardize their ability to sustain. Program contract terminations and/or program closures may occur and a resultant loss of appropriate care and placement for CAF children may be an outcome. Residential programs have invested in the infrastructure of their programs to accommodate the terms of the new contracts generated through the BRS redesign. Programs have budgeted based on the existing rates and operate on a small enough margin that they will have significant difficulty absorbing these cuts. Fewer residential programs may result in children being served further from their home communities and limit access to appropriate care. This reduction would mean child welfare reimburses at a different rate for the same service as does Oregon Youth Authority which has Medicaid impacts. The 2009 Legislature bought back this reduction.														
84	16	DHS	SPD - APD	<b>Assisted Living Facility Payment Reductions</b> - The reduction would change the payment system to the Assisted Living providers to mirror the payment system for Adult Foster Homes and Residential Care Facilities. This reduction would reduce payments to Medicaid providers for 3,959 clients.				(9,439,122)						(20,849,423)		\$	(30,288,545)			This reduction would reduce Medicaid access to Assisted Living Facilities, and these facilities would not be able to serve clients with complex needs. Over time clients would be forced to move to different community based facilities.														
85	17	DHS	CAF	<b>Substitute Care: Reduce Target Problem Child Residential Care by 20%.</b> The Target Planning and Consultation Committee approves funding for children with multiple handicapping conditions who have been denied placement in many of Oregon's programs. The funding is primarily used to purchase extra treatment beds in residential programs and the additional support services the provider needs to maintain the child. There are currently 60 Target designated children and 100% of these children have multiple mental health issues, a history of physically/sexually aggressive behavior, and have exhausted many of the state's placement options. This pricing includes the offset cost of placing children displaced through this reduction into foster care with Enhanced Supervision. This reduction will likely be taken by ending Target contracts when a child turns 18 and by closing to admissions to new clients at the point that budget projections show the cost of children currently enrolled will expend all available budgeted resource.				(286,802)			(18,710)			(335,528)		\$	(641,040)			The reduction would jeopardize the state's ability to purchase treatment and placement for about 12 of the state's most difficult to serve children that have been found to be ineligible or inappropriate for foster care, residential care, psychiatric hospitalization, DD Services, and termination of wardship. While small in number, the failure to appropriately serve these children could have serious consequences to the children and communities. If Target was unable to serve these youth, most of whom are a danger to themselves or others, they would likely bounce between shelters until they decompensated enough to qualify for hospitalization or one of the Oregon Youth Authority's training schools. Either of these outcomes would result in even higher costs.														
86	17	DHS	SPD - APD	<b>Nursing Facility Payment Reduction</b> - Reduce nursing facility expenditures further by eliminating Complex Medical add on rates completely. (requires statute change) Includes full staffing impact due to complete elimination for Complex Medical.				(1,017,924)						(2,258,051)		\$	(3,275,975)	-2	-0.26	This action will reduce nursing facility expenditures further by eliminating Complex Medical Add-On to the Basic Rate completely. Includes full staffing impact due to complete elimination for Complex Medical.														
87	18	DHS	SPD - DD	<b>Additional 5% Reduction in DD Comprehensive 24 hour Medicaid Waivered Service Rates</b> - This action is reduces service rates an additional 5% or a total of 10% and includes State Operated Community Programs. This action will promote staff instability which effects quality and will limit the system's ability to place individual's with the most significant care needs.				(4,953,896)			(44,348)			(9,404,937)		\$	(14,403,181)			This action is reduces service rates and additional 5% or a total of 10% and includes State Operated Community Programs. This action will promote staff instability which effects quality and will limit the system's ability to place individual's with the most significant care needs.														
88	19	DHS	AMH	<b>Closure of 3 Non-Medicaid Geropsychiatric Wards @ OSH</b> - Three wards at OSH that serve older clients with psychiatric and behavioral symptoms and younger brain injured adults with similar symptoms will be closed without community alternatives.				(10,203,457)			(650,539)			-		\$	(10,853,996)			The closure of three wards in the Geropsychiatric hospital program means the facility would lose 86 beds serving 150 people per year. Depending on availability, clients will be discharged into existing community programs that were unable to meet their complex medical, behavioral and mental health needs in the past. Reductions of this magnitude may require suspension of the mental health civil commitment statutes found in ORS 426.005 through 429.320.														

