

# Health and Long Term Care Budget Work Session

## DSHS-Aging and Disability Services Overview

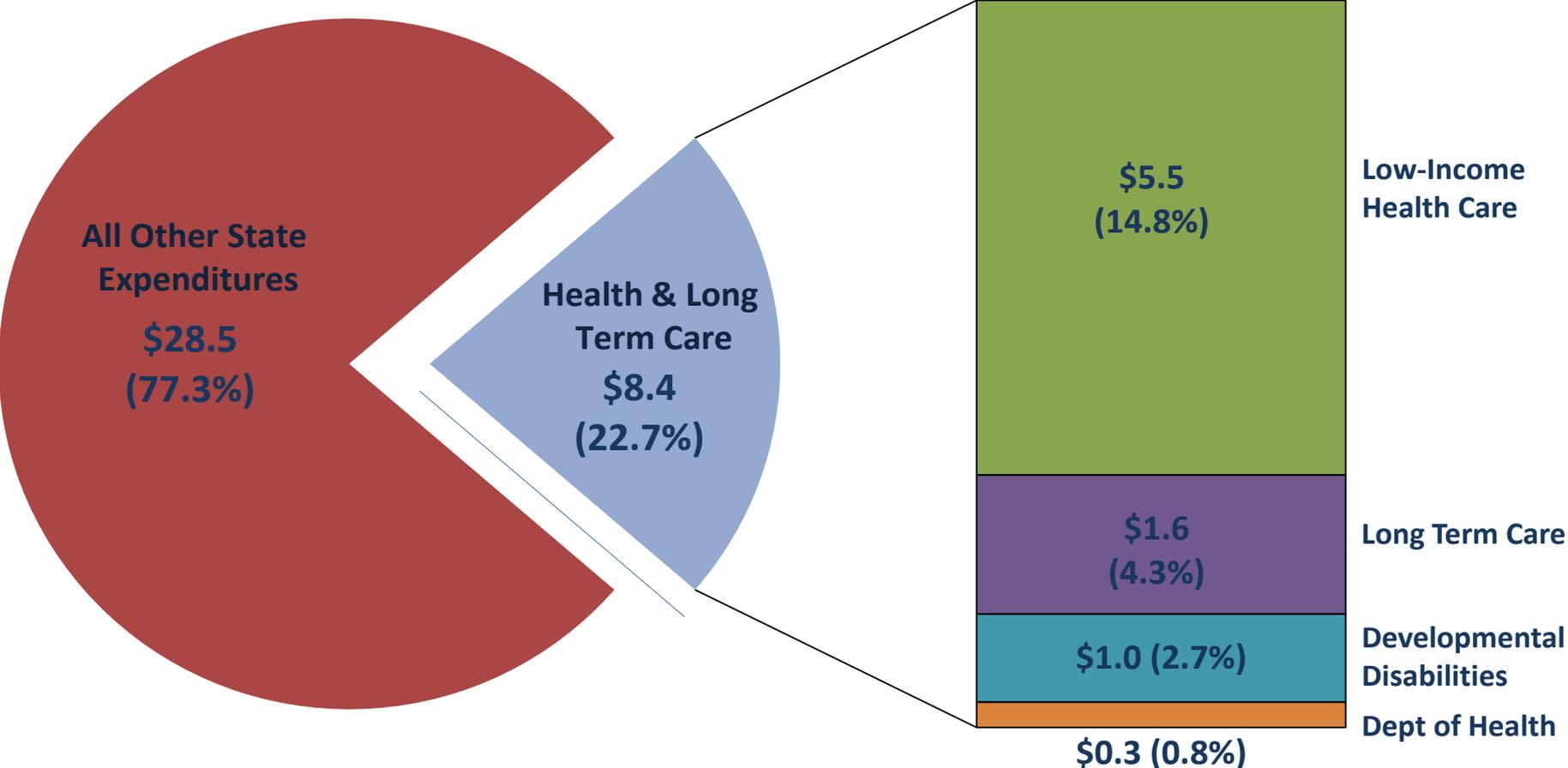
January 15, 2009

Prepared by Senate Ways and Means staff



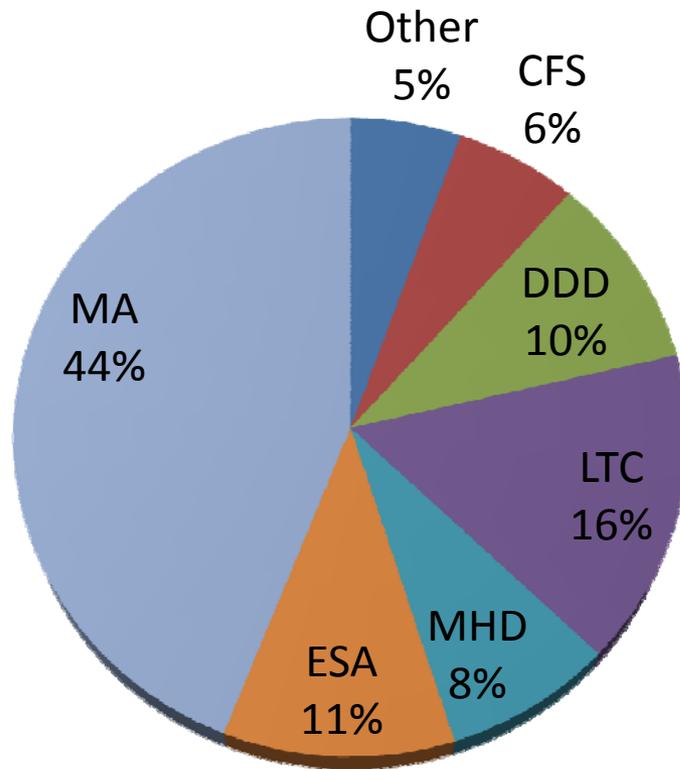
# Health & Long Term Care Program Expenditures

2009-11 Maintenance Level in Billions—NGF-S only



# Total DSHS—2009-11 Governor Proposed

ADSA = DDD + LTC = 26 percent of DSHS

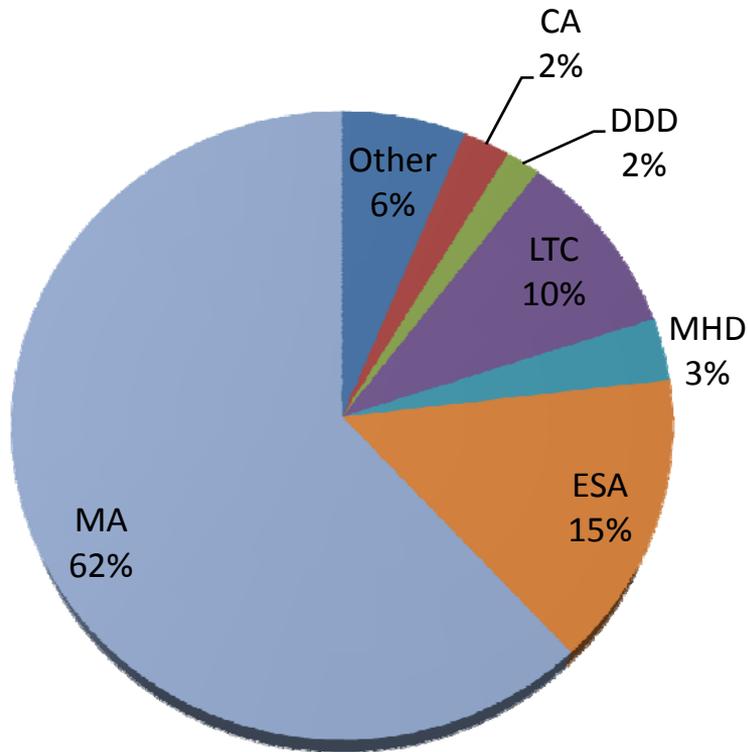


Division	All Funds (\$)*
LTC	\$3.07 billion
DDD	\$1.90 billion
Medical Assistance	\$8.52 billion
Econ Srvcs Admin	\$2.09 billion
Mental Health	\$1.54 billion
Children & Families	\$ 1.17 billion
Other DSHS	\$1.05 billion
<b>Total</b>	<b>\$19.35 billion</b>

\*Includes FMAP assumption

# Total DSHS—2009-11 Governor’s PL Reductions

ADSA = DDD + LTC = 12 percent of DSHS Reductions (all funds)

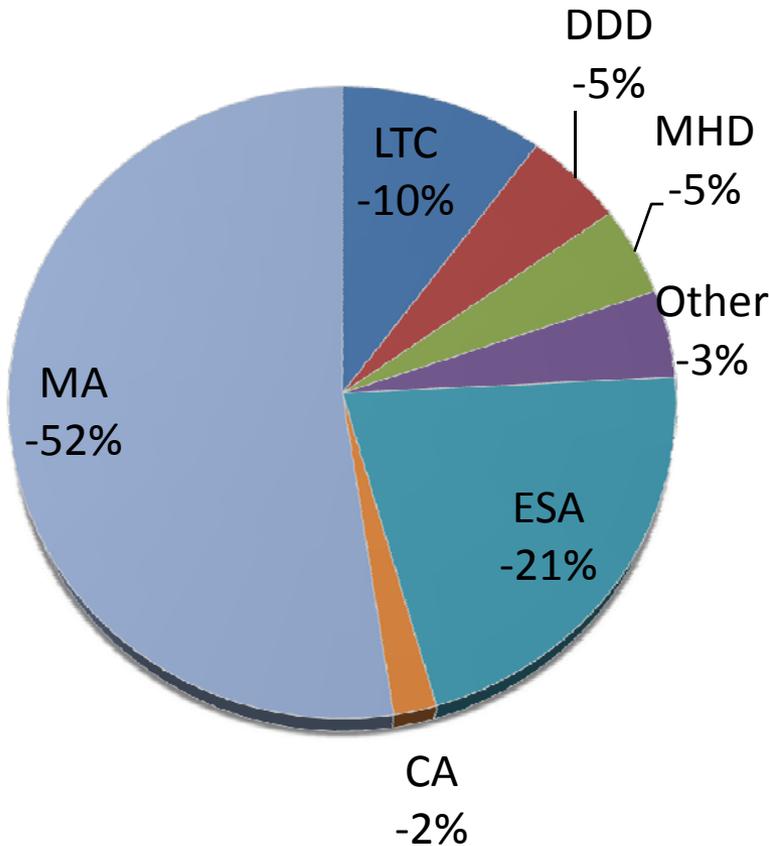


Division	All Funds (\$)*
LTC	-\$175 million
DDD	-\$32 million
Medical Assistance	-\$1,132 million
Econ Srvcs Admin	-\$275 million
Mental Health	-\$59 million
Children & Families	-\$ 44 million
Other DSHS	-\$114 million
<b>Total</b>	<b>-\$1,831 million</b>

\*Includes FMAP assumption

# NGF-S 2009-11 Governor's PL Reductions

ADSA = DDD + LTC = 25 percent of NGF-S DSHS Reductions



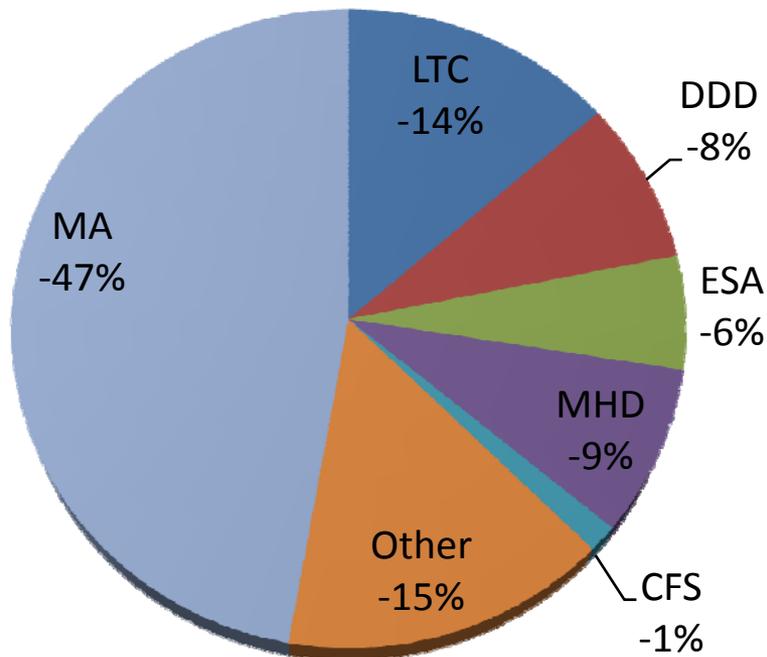
DSHS Division	NGF-S (\$)*
LTC	-\$196 million
DDD	-\$97 million
Medical Assistance	-\$1,013 million
Econ Srvcs Admin	-\$414 million
Mental Health	-\$88 million
Children & Families	-\$39 million
Other DSHS	-\$86 million
<b>Total</b>	<b>-\$1, 934 million</b>

\*Includes FMAP assumption

# Total DSHS—2009 Supplemental Governor Proposed Changes—NGF-S

ADSA = 24 percent of 2007-09 budget, through '08 supp

ADSA = 22 percent of proposed '09 reductions



Division	NGF-S (\$)*
LTC	-\$47.4 million
DDD	-\$28.6 million
Medical Assistance	-\$165.0 million
Mental Health	-\$29.8 million
Econ Srvcs Admin	-\$20.0 million
Children & Families	-\$4.8 million
Other DSHS	-\$53.4 million
<b>Total</b>	<b>-\$349 million</b>

\*Includes FMAP assumption

# Health and Long Term Care Budget Work Session

## DSHS-Aging and Disability Services Budget Detail

January 15, 2009

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# 2009-11 Biennial and 2009 Supplemental Governor's Proposed Budgets—Budget Themes

- Revenue Assumption—FMAP
  - Approximately 5.5 percent increase, beginning Jan. 2009
  - ADSA impacts: FY09=\$64 million, 2009-11=\$180 million
- ML Caseload/Workload Adjustments
- Some Funded Items
- Items Not Funded—CBAs and Arbitration Awards
- Reductions—Programs and Client Services
- Needed WAC and RCW changes
- Other Agency Request Items

# 2009-11 Biennial and 2009 Supplemental Governor's Proposed Budgets—What's Funded?

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- **ML Caseload/Workload** (\$ mil NGF-S/all funds)
  - LTC: FY09= $(-\$5.1/-\$11.4)$  2009-11= $\$65.4/\$78.0$
  - DDD: FY09= $\$5.9/\$11.4$  2009-11= $\$40.6/\$56.6$
- **Enhanced/Expanded Community Services** (\$ mil NGF-S/all funds)
  - LTC: FY09= $\$1.1/\$2.3$  2009-11= $\$4.8/\$9.8$
  - DDD: 2009-11= $\$3.5/\$6.8$
- **Agency Provider Wait Time**
  - LTC: 2009-11= $\$1.5$  million NGF-S and  $\$3.1$  million all funds
  - DDD: 2009-11= $\$249,000$  NGF-S and  $\$507,000$  all funds
- **I-1029 Background Checks**
  - LTC: 2009-11= $\$1.1$  million NGF-S and  $\$2.2$  million all funds

# 2009-11 Biennial and 2009 Supplemental Governor's Proposed Budgets—What's Funded?

Continued, page 2 of 2

- Public Safety Placements
  - DDD: 2009-11=\$2.4 million NGF-S and \$4.7 million all funds
- Equipment Replacement
  - DDD: 2009-11=\$709,000 NGF-S and \$1.5 million all funds
- ProviderOne and Provider Comp. Solution (DSHS Admin)
  - ProviderOne = LTC: 2009-11 = \$43,000 all funds
  - Provider Compensation Solution
    - DSHS Admin budget: 2009-11 = \$7.9 million NGF-S and \$12.9 million all funds

# 2009-11 Biennial and 2009 Supplemental Governor's Proposed Budgets—Not Funded

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- Collective Bargaining Agreements
  - State employees
- Arbitration Agreements and AP Parity
  - Combined LTC and DDD Impact, excludes DSHS admin impact
  - \$68.9 million NGF-S/\$130 million all funds
- Initiative 1029
  - Combined LTC and DDD Impact, excludes DSHS admin impact
  - LTC & DDD = \$10.3 million NGF-S/\$21.3 million all funds

# 2009-11 Biennial and 2009 Supplemental Governor's Proposed Budgets—Not Funded

Continued, page 2 of 2

- House Bill 2284, 2007 session
  - Governor's Budget adds in ML, subtracts out in PL
  - Combined LTC and DDD Impact
  - \$9.3 million NGF-S/\$15.1 million all funds
- House Bill 2668, 2008 session
- 17 Levels of Care, Phase 2

# 2009-11 Biennial Governor's Proposed Budget—Reductions

\$ in millions, all funds

Primarily delaying  
expanded training  
under HB 2284. →

**Service Delay, -\$21.6**

**Service Alternative, -\$60.5**



More than half is switching some in-home clients from Agency to Individual Providers.

Also includes closure of Yakima Valley School .

Elimination of  
Adult Day Health. →

**Service Reduction, -\$41.6**

**Admin Reduction, -\$23.2**



Primarily pension changes, hiring freeze, Gov. directed cuts to travel, equipment, & staffing.

**Rate Reduction, -\$92.8**



Entire amount: Reduction to Nursing Home Payment Rates of 7.5% (4.8% from current level).

# 2009-11 Biennial Governor's Proposed Budget

## Reduction Detail — excerpted items only

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Reduction Category	Division	Item	DDD NGF-S	LTC NGF-S	Total LTC and DDD all funds	Clients Affected estimates
Rate Reduction	LTC	NH Rates: FY09 wtd avg rate = \$165.04  2009-11 Rebase: \$30 M, 2.7% increase NH Reduction: -\$92.8 M, -7.5% decrease Net Impact: -\$62.8 M, -4.8% net decrease  2009-11 statewide wtd avg rates: FY10=\$157.12, FY11=\$157.37	-	\$46,209	\$92,837	10,000
Service Reduction	Both	Elimination of Adult Day Health, includes programmatic reduction and reduction in state employees.	\$2,437	\$18,417	\$41,598	1,900
Service Delay	Both	Delay the implementation of additional training requirements from HB-2284.	\$5,914	\$3,348	\$15,129	
Service Delay	DDD	Delayed placement of 20 DDD [Residential] waiver slots funded during the 2007-09 Biennium.	\$2,550	-	\$5,100	20

# 2009-11 Biennial Governor's Proposed Budget

## Reduction Detail — excerpted items only.

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Reduction Category	Division	Item	DDD NGF-S	LTC NGF-S	Total LTC and DDD all funds	Clients Affected estimates
Service Delay	DDD	Delayed implementation of the Children's Intensive Behavior Support waiver during FY10.	\$678	-	\$1,389	100
Service Alternative	Both	Some clients receiving in-home services from an agency provider will switch to a less-costly individual provider, based on their ability to supervise care.	\$932	\$20,530	\$43,110	7,000
Service Alternative	DDD	Clients receiving state-only services move to a DDD waiver. 2,500 move to Basic; 200 move to Core.	\$18,947	-	\$10,294	2,700
Service Alternative	LTC	Roads to Community Living. Individuals with significant care needs move from nursing homes to community settings.	-	\$1,980	\$4,101	150/year
Service Alternative	DDD	RHC Closure and Changes: Yakima Valley School closure: Residents will move to other RHC, supported living, or nursing home. Also, closure of two swimming/therapy pools at Fircrest, and one pool at Rainier and reduce state support for provision of professional services at RHCs.	\$1,767	-	\$3,091	100 at YVS

# 2009-11 Biennial Governor's Proposed Budget

## Reduction Detail — excerpted items only.

Continued, page 3 of 3

Reduction Category	Division	Item	DDD NGF-S	LTC NGF-S	Total LTC and DDD all funds	Clients Affected estimates
Admin Reduction	DDD	Grants to counties for publications and coalitions of families of developmentally disabled people are eliminated.	\$598	-	\$994	None
Admin Reduction	LTC	Reduction to the administrative component of Senior Citizen Services Act (SCSA) funding and elimination of the state match for the Senior Companion and Foster Grandparent programs.	-	\$540	\$540	
Admin Reduction	Both	Includes hiring freeze; reductions in staffing, travel, equipment, contracts, and building relocation; and unspecified reductions. Also includes staffing ratio change between Nurse Care Institutional and LTC Surveyor positions.	\$2,753	\$2,249	\$8,389	
Admin Reduction	LTC	Reversal of ML step; No increased license fees for nursing homes in the 2009-11 Biennium.	-	(\$218)	\$1,568	None

# 2009 Supplemental Governor's Proposed Budget

## ADSA Reduction Detail

FMAP Assumption = + \$64 million increased federal revenue

### Governor Directed Reductions (aka across-the-board)

Freeze	=	-\$4.7 million
1 percent cut	=	-\$4.3 million
<u>November Reduction</u>	=	<u>-\$4.8 million</u>
TOTAL	=	-\$13.8 million

### Savings Options for Fiscal Year 2009

- Adult Day Health elimination
- Some in-home clients move from agency to individual provider
- State only clients moved to Basic or Core waiver
- Rate reductions
- Reduction in travel, equipment purchases, and contracts
- Hiring freeze for certain positions in program support, as well as the regions

# Summary

- 2009 Supplemental Total Reduction to DD and LTC
- 2009-11 Biennial Total Reduction to DD and LTC
- Budget Themes
  - Revenue Assumption
  - ML Caseload/Workload Adjustments
  - Other Funded Items
  - Reductions—Program and Client Service Impacts
  - Items Not Funded—CBAs and Arbitration Awards
  - Needed WAC and RCW changes
  - Agency Request Items Not Funded

# Questions?

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