

# 2009-11 Governor's Budget

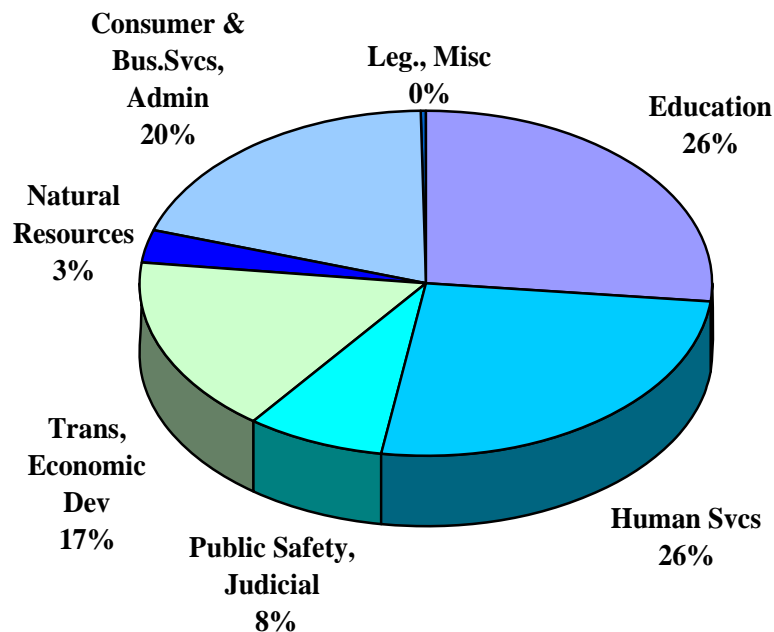
## Human Services

Blake Johnson & Kelly Freels

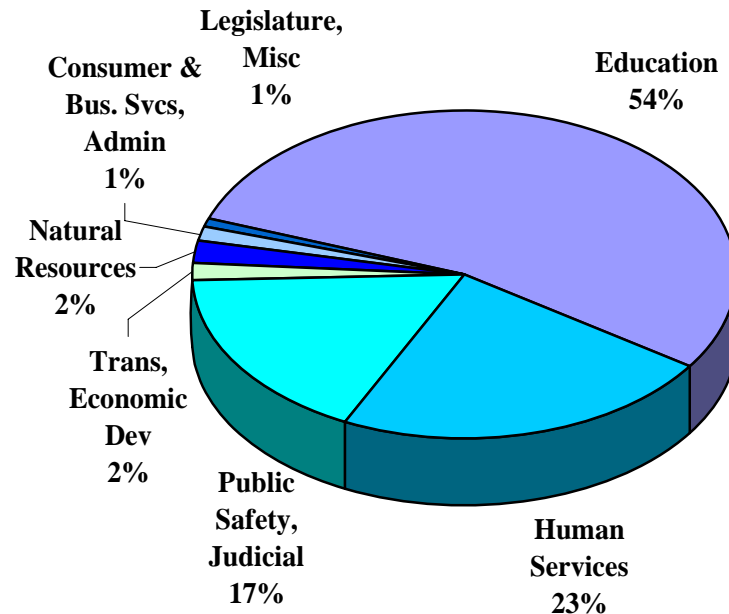
January 26, 2009

# Budget by Fund Types

Statewide: \$54 Billion Total Funds

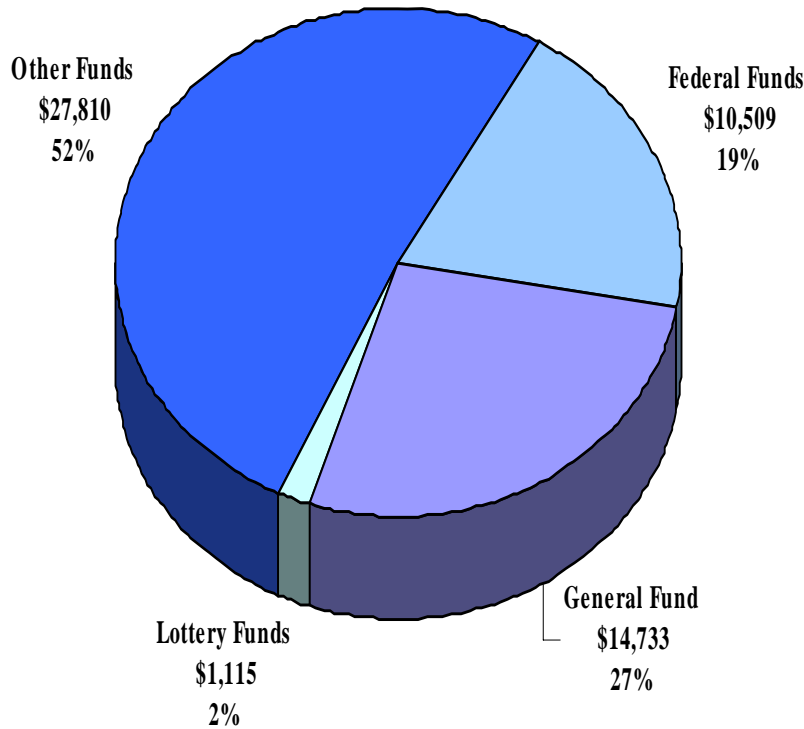


\$15.8 Billion General, Lottery Funds

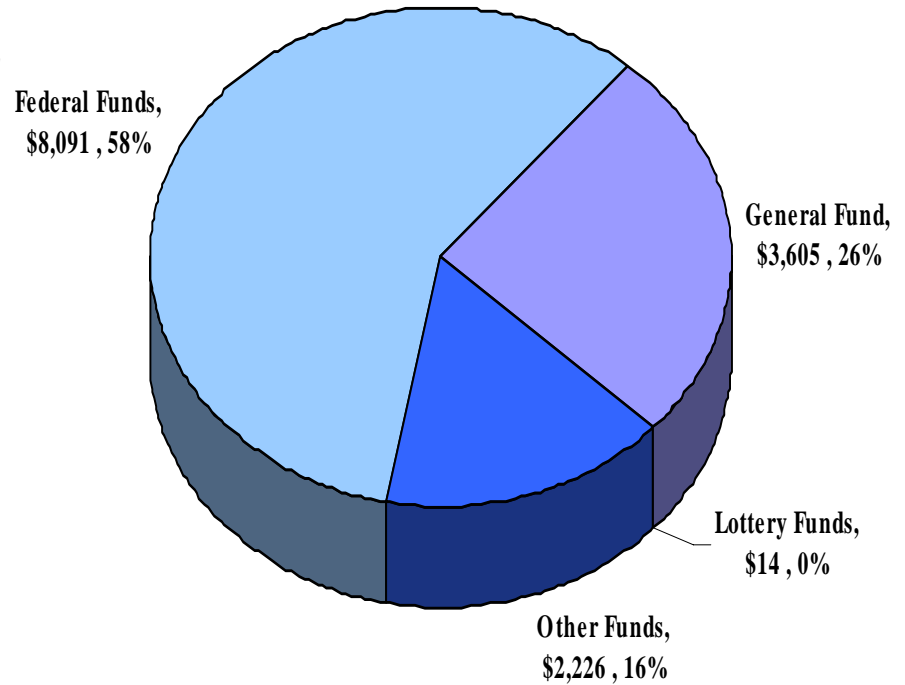


# 2009-11 Governor's Budget

Statewide by Fund Type



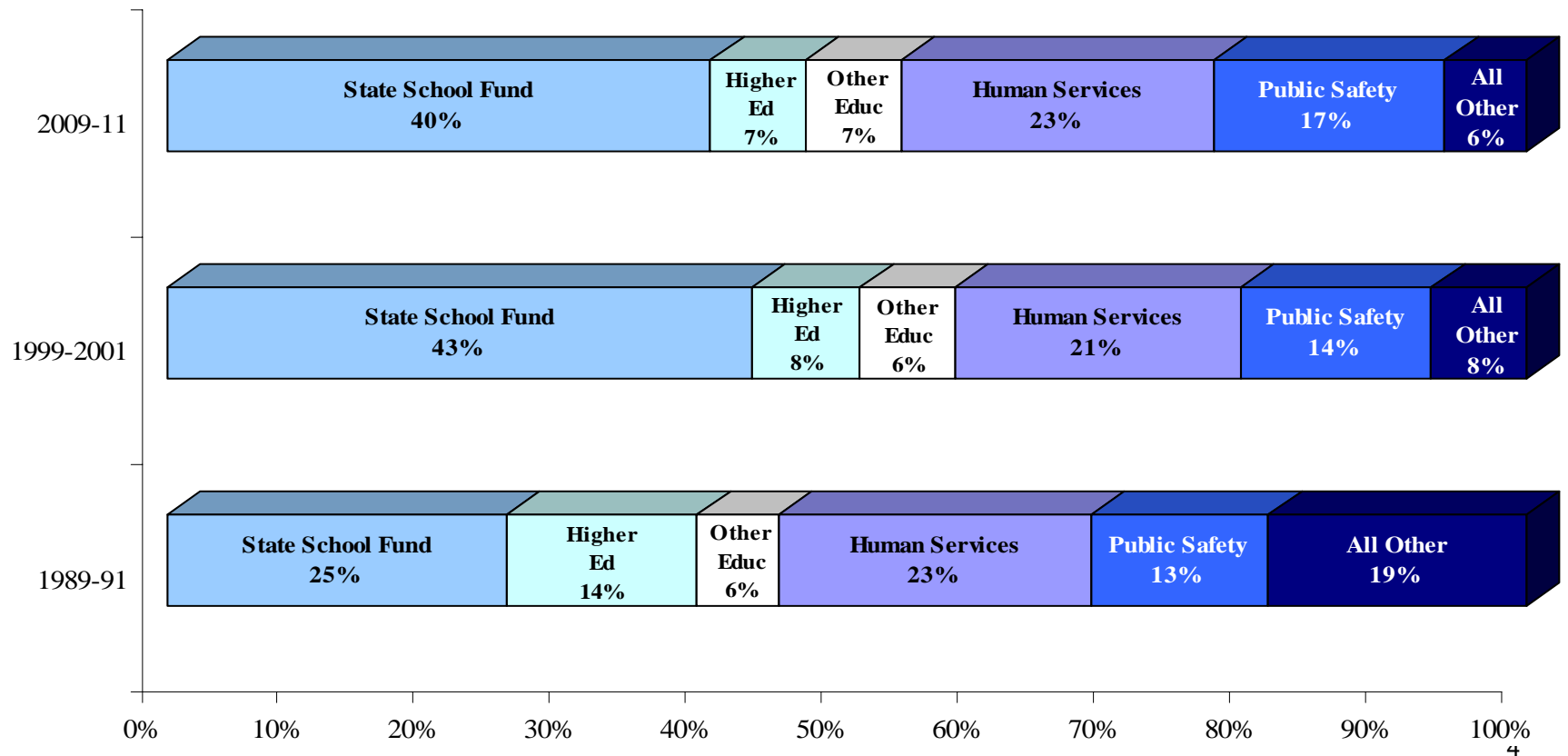
Program Area by Fund Type  
Human Services \$ in Millions



# 2009-11 Governor's Budget

## General Fund and Lottery Funds

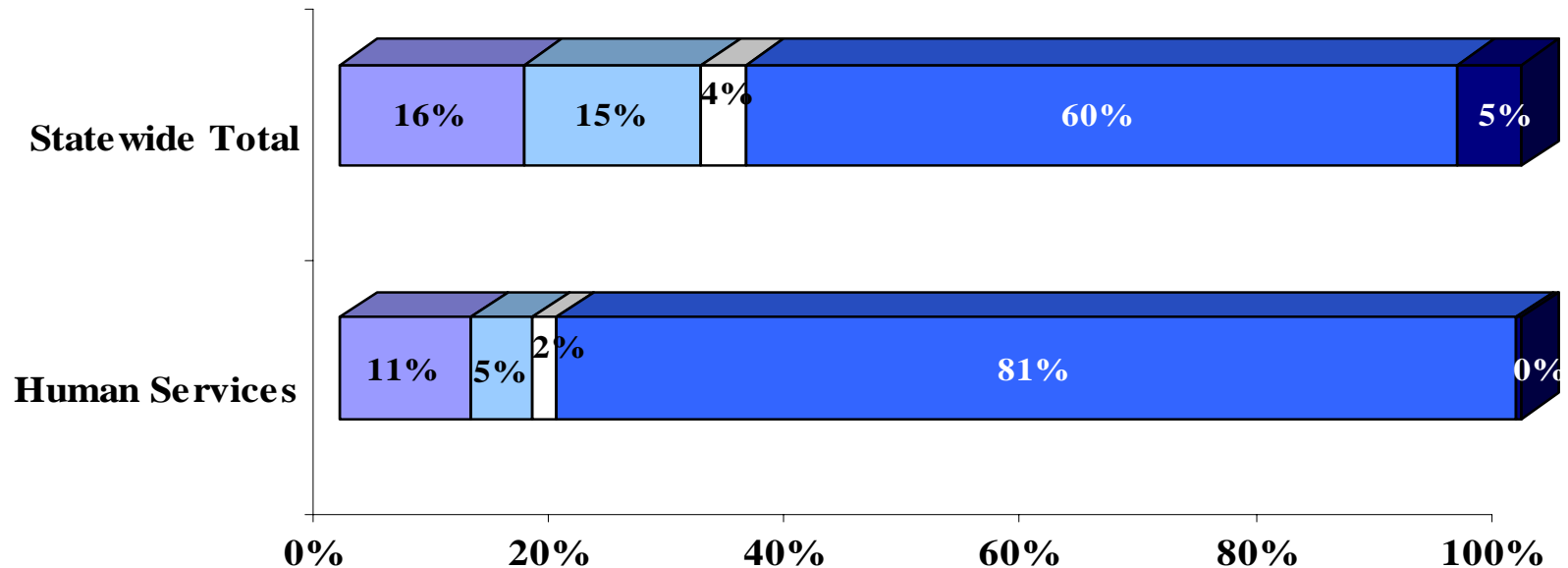
■ State School Fund  
 ■ Higher Ed  
 ■ Other Educ  
 ■ Human Services  
 ■ Public Safety  
 ■ All Other



# 2009-11 Governor's Budget

## Expenditures by Category - Total Funds

■ Personal Services ■ Services and Supplies ■ Capital Outlay ■ Special Payments ■ Debt Service



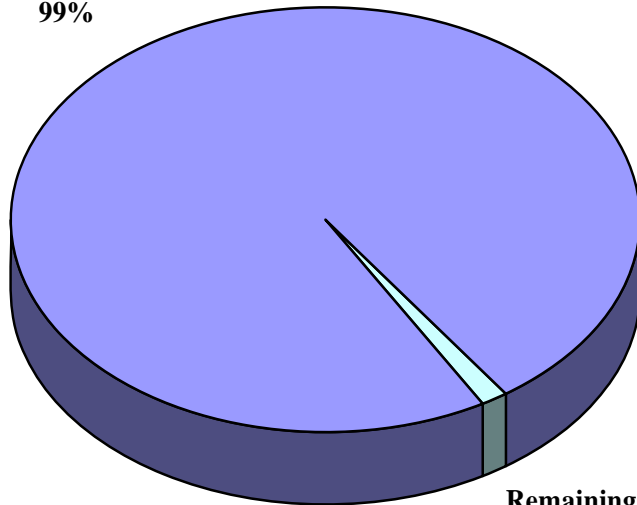
# 2009-11 Governor's Budget

- Significant issues
  - Budget drivers
    - Economy (caseload)
    - Federal Policy Changes
  - Future trends
    - Demographics (caseload)
  - Policy considerations in GRB
    - General Fund reductions & provider tax increases
    - Healthy Kids Plan
    - Expansion of Oregon Health Plan
    - Oregon State Hospital

# 2009-11 Governor's Budget

Total Funds  
\$ Millions

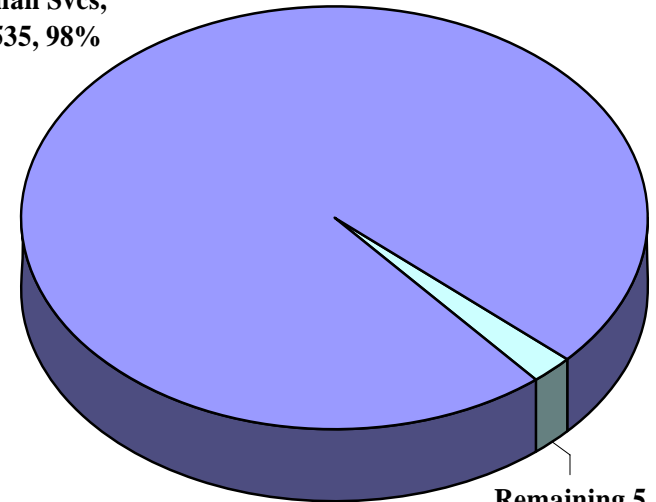
Dept of  
Human Svcs,  
\$13,728,  
99%



Remaining 5  
Agencies,  
\$207, 1%

General and Lottery Funds  
\$ Millions

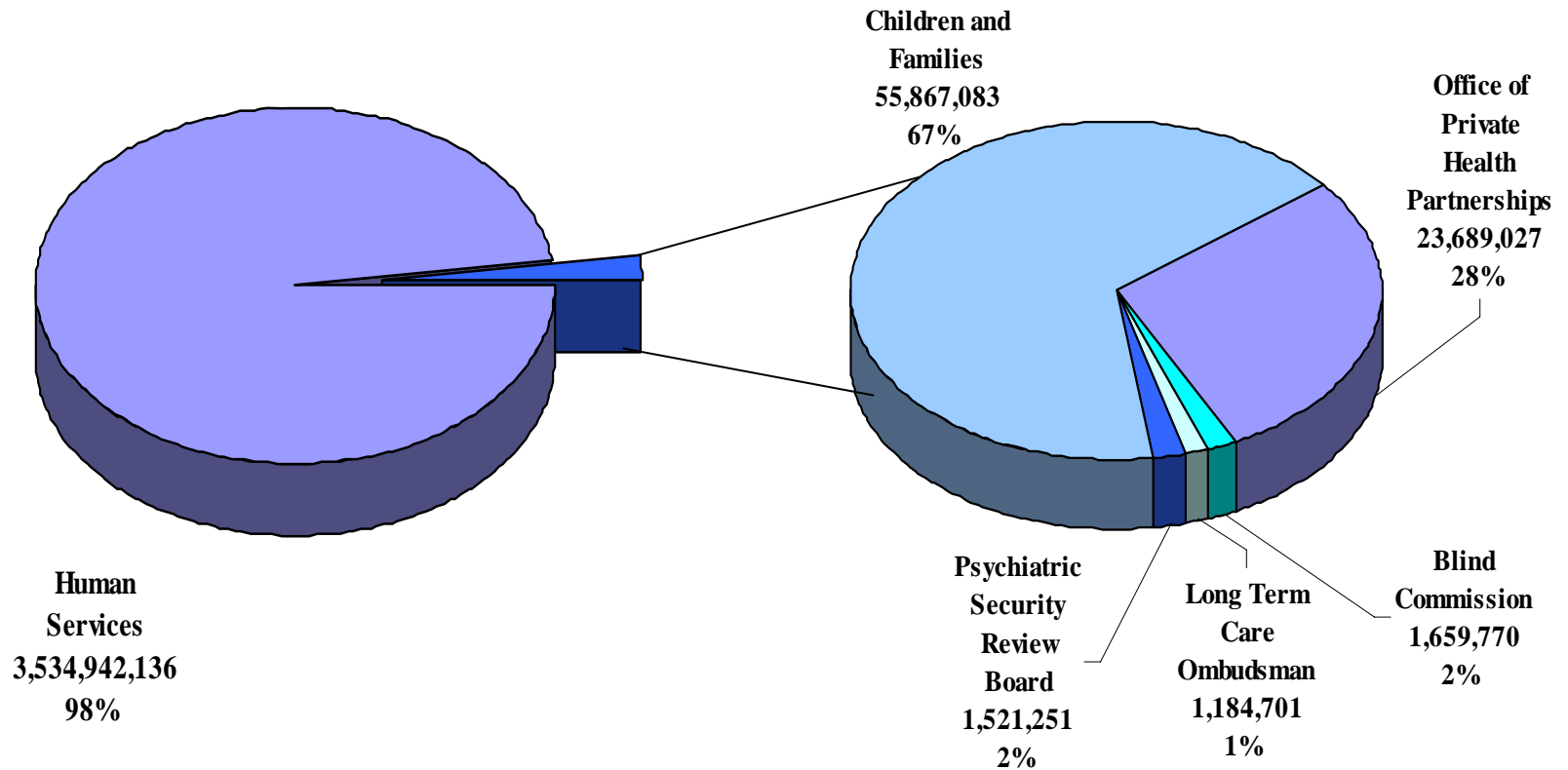
Dept of  
Human Svcs,  
\$3,535, 98%



Remaining 5  
Agencies,  
\$84, 2%

# Human Services Agencies

(\$3,618.9 million General & Lottery Funds)



# Commission for the Blind

- Provides vocational rehabilitation services, training, assistance, and employment experience to 3,400 Oregonians
  
- Major issues
  - Aging population: most causes of blindness are age-related
  - Expenditure inflation will likely outpace federal revenue increases
  
- Governor's Recommended Budget (in millions)
  - \$1.7 General Fund
  - \$2.5 Other Funds
  - \$10.6 Federal Funds

# Commission on Children and Families

- Supports local coordinated comprehensive planning for all children and families services. Allocates state funding for locally delivered services
- Major issues – 6.4 percent Total Fund reduction (7.0 percent General Fund) shared equally across all programs and administration
- Governor's Recommended Budget (in millions)
  - \$55.9 General Fund
  - \$21.7 Other Funds
  - \$ 4.9 Federal Funds

# Long Term Care Ombudsman

- Advocates, investigates and resolves complaints for long-term care facility residents
  
- Major issue: growth in long-term care industry
  - Aging baby boomers
  - Budget hasn't kept pace with growth
  - LTCO ranks 48<sup>th</sup> of 52 nationally in number of staff in relation to number beds
  
- Governor's Recommended Budget (in millions)
  - \$ 1.2 General Fund
  - \$ 2.0 Other Funds
  - No cuts or enhancements

# Office of Private Health Partnerships

- Increase the number of Oregonians and businesses with health insurance.
  - Family Health Insurance Assistance Programs: helps uninsured, income-eligible Oregonians pay the monthly premium for private health insurance
- Major issue: will administer part of the Healthy Kids program
- Governor's Recommended Budget (in millions)
  - \$23.7 General Fund
  - \$81.7 Other Funds (FF from DHS)
  - Cuts: 10 percent reduction to all programs

# Psychiatric Security Review Board

- Jurisdiction over 750 criminals who have committed a crime and were found guilty, but for insanity.
- Major issue: increases in caseload and workload
  - Caseload growth: shortage of mental health services in communities
- Governor's Recommended Budget (in millions)
  - \$1.5 General Fund
  - No cuts were made. One position was added to alleviate workload.

# Department of Human Services (DHS)

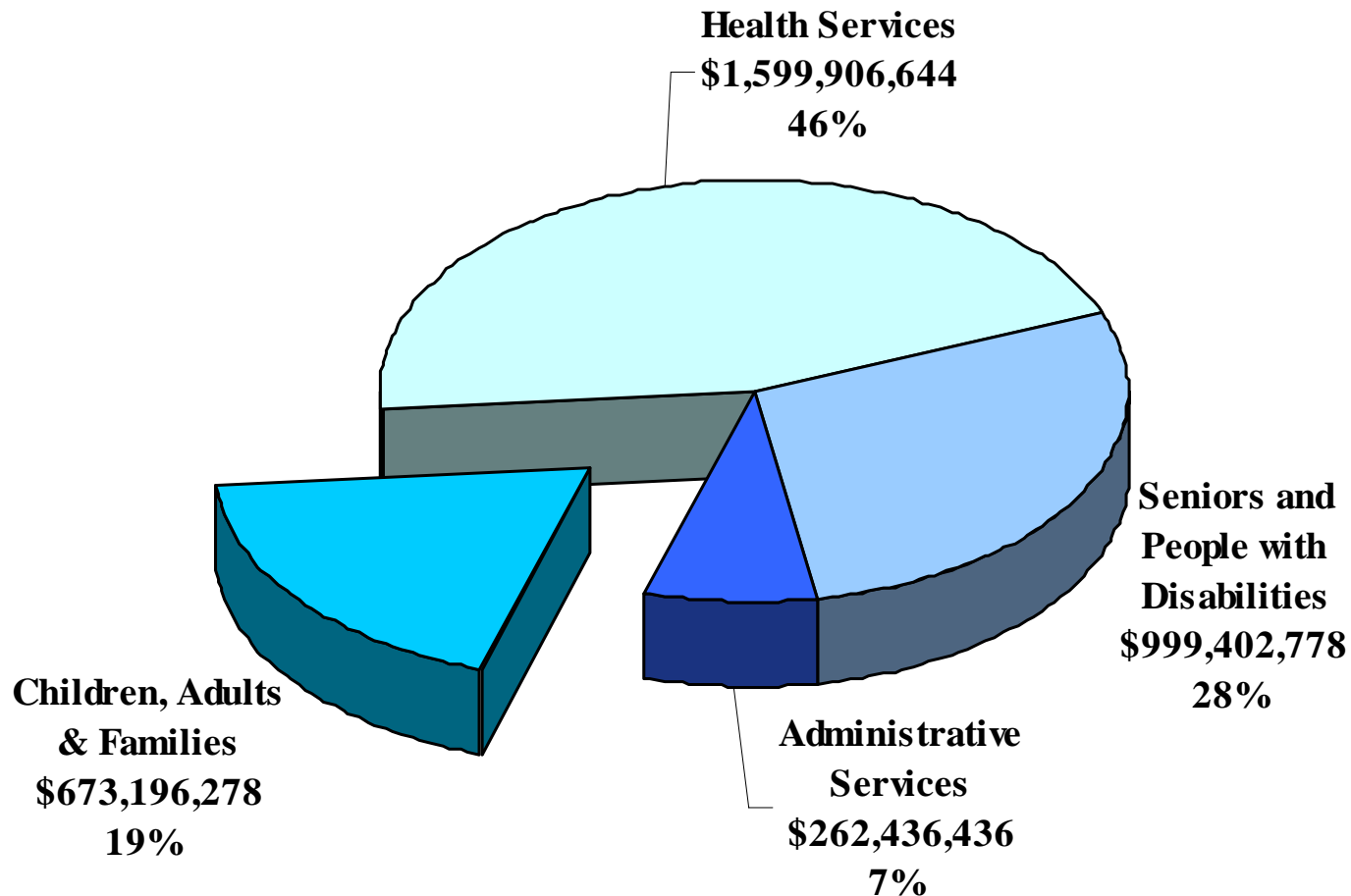
## ■ Overview

- Helping people to become independent, healthy and safe
- \$13.7 billion Governor's Budget (\$3.5 billion GF)
- 11,000 employees

# Department of Human Services

- Divisions:
  - Children, Adults and Families (CAF)
    - Self Sufficiency (food stamps, TANF), Child Welfare, Vocational Rehabilitation
  - Seniors & People with Disabilities (SPD)
    - Long Term Care
  - Health Services (HS)
    - Public Health, Addictions & Mental Health, Medical Assistance Programs
  - Administrative Services Division (ASD)
    - Central Admin., Director's Office, Facilities

# Children, Adults & Families (CAF)



# Children, Adults & Families

## ■ Self-Sufficiency

- Temporary Assistance for Needy Families (TANF)
  - Provides cash assistance and services for low income families with children.
  - 23,000 families in 12/08, up 17.7% over 12/07
- Food Stamps
  - Helps Oregonians feed themselves and their families.
  - 270,000 households; 521,000 persons in 12/08, up 15.5% over 12/07

# Children, Adults & Families

- Employment Related Day Care (ERDC)
  - Assists low income working families in paying child care costs.
  - 11,000 families in 12/08, up 16.6% over 12/07

# Children, Adults & Families

## ■ Child Welfare

### ■ Child Protective Services (CPS)

- Investigates and intervenes in cases of abuse and neglect.
- In 2007 over 63,500 reports and 10,700 confirmed victims.

### ■ Out-of-home Foster Care

- Provides care for children removed from their homes.
- In 2007 15,060 children spent at least one day in some kind of foster care.

# Children, Adults & Families

- Adoptions
  - Permanently place children with other families when they cannot return to their parents.
  - 995 children had their adoptions finalized in 2007.

# Children, Adults & Families

## ■ Vocational Rehabilitation

- Assesses plans and coordinates services to people with disabilities that impede their ability to get and retain employment.
  - Basic Vocational Rehabilitation (VR)
  - Supported Employment Services (SES)
  - Independent Living Program (ILP)
  - Youth Transition Program (YTP)
- Assisted 16,000 clients in 2007, helped 2,900 achieve employment.

# Children, Adults & Families

- Investments made by Governor's Recommended Budget
  - OR-Kids – Funding for the completion of Child Welfare Information System.
  - Funding for modernization of processes in the Self-Sufficiency programs.

# Children, Adults & Families

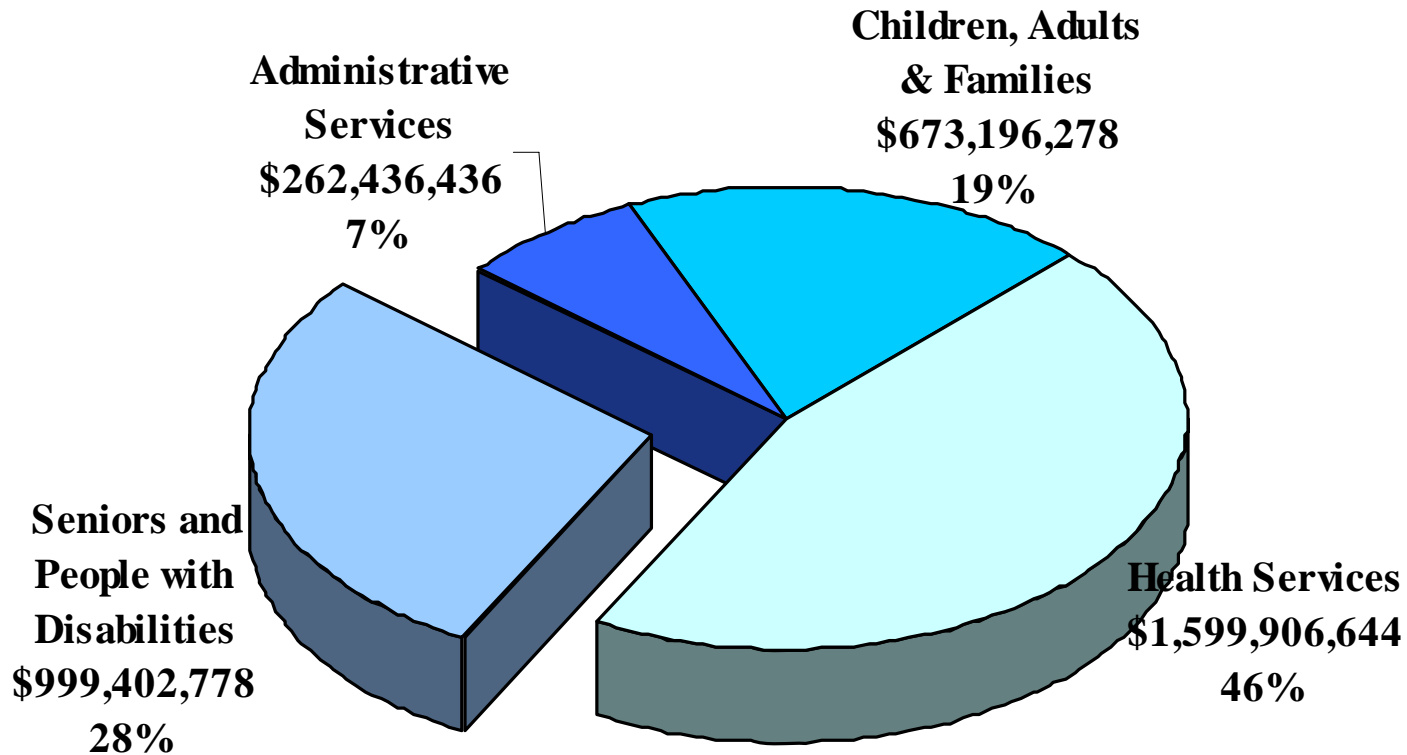
## ■ Reductions in GRB

- Elimination of cost of living adjustments (COLAs) for program service provider contracts.
- Employment Related Day Care (ERDC) reductions
  - Limit ERDC to families leaving TANF
  - Eliminate reduced co-pay in first month
  - Reduce maximum payment threshold to providers

# Children, Adults & Families

- TANF eligibility changes and cash payment reduction/elimination.
  - Reduce Pre-TANF payments for basic living expenses
  - Establish income standard for non-parent caretaker households
  - Implementation of Job quit penalty
  - Eliminate TANF (UN) program 7/1/2010
  - Reduce Post-TANF payments
- Eliminate Supported Remedial Day Care

# Seniors and People with Disabilities (SPD)



# Seniors and People with Disabilities

- Two populations served
  - Seniors and people with physical disabilities
  - People with developmental disabilities

# Seniors and People with Disabilities

- Seniors and people with physical disabilities
  - Generally 65 years of age and older
  - Meet income limits – Medicaid – 300% of SSI (\$1,911 for Individual or \$2,868 for couple)
  - Meets physical or mental impairment levels for Activities of daily living

# Seniors and People with Physical Disabilities

- Services – Keep seniors as independent as possible
  - In-home services
    - Help with daily living needs
    - Live-in to provide 24-hour care
  - Community services
    - Adult foster Homes – 5 bed
    - Residential Care Facilities – 6+ beds
    - Assisted Living Facilities – 6+ beds

# Seniors and People with Physical Disabilities

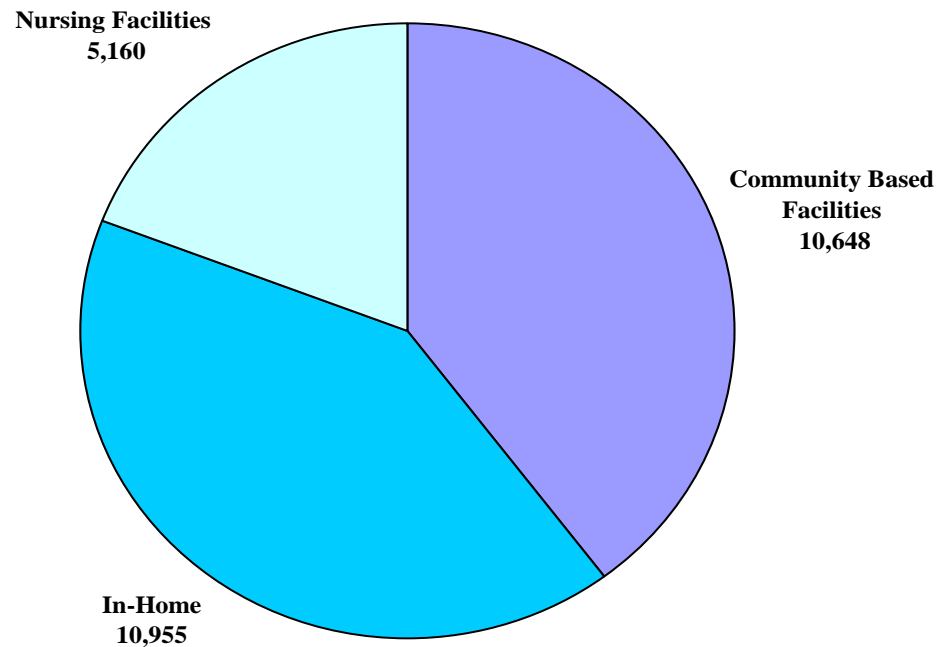
## ■ Services — continued

### ■ Nursing facilities

- Institutions that provide skilled nursing services, housing, related service and ongoing assistance with activities of daily living.

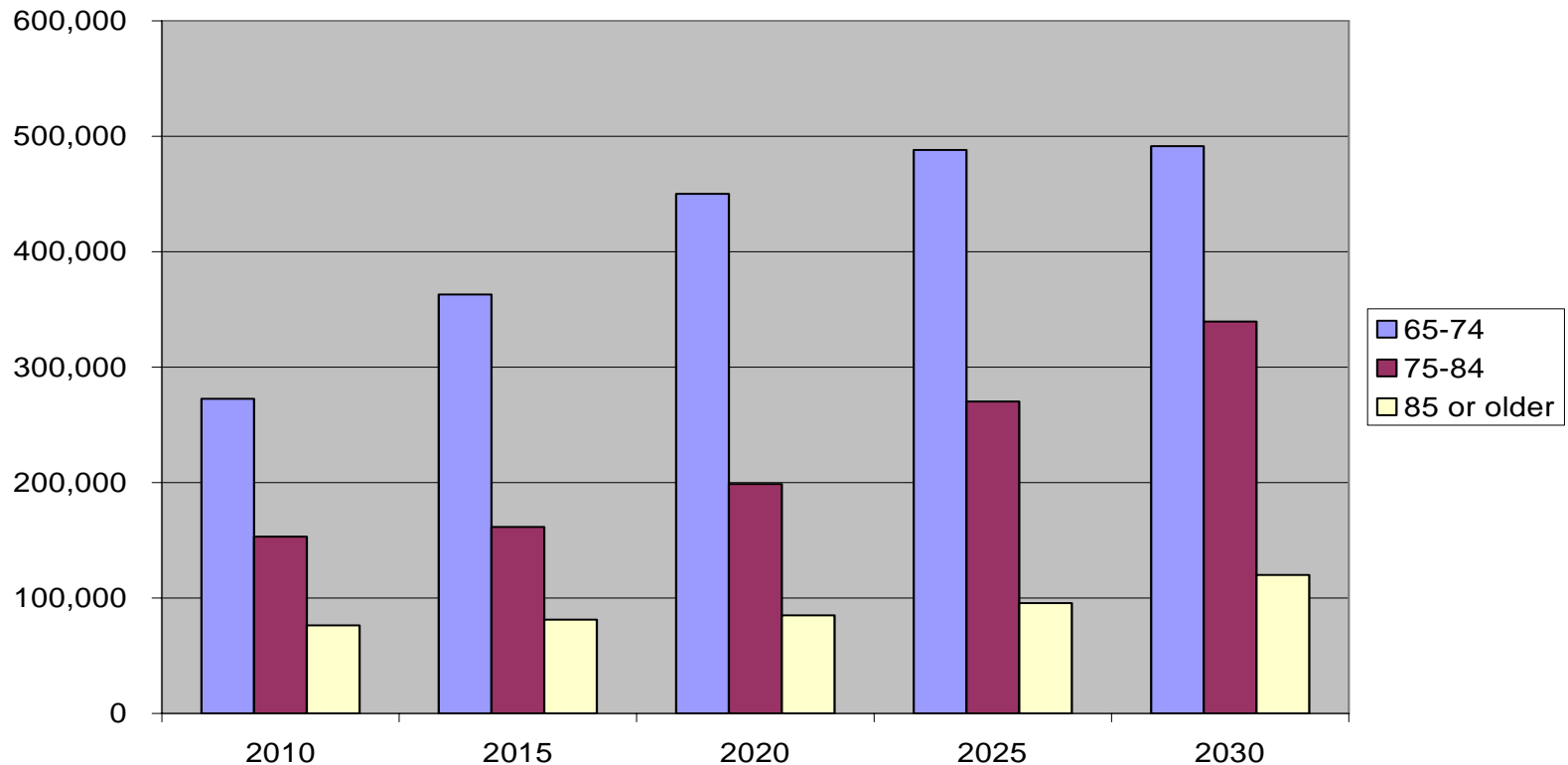
# Seniors and People with Physical Disabilities

**Seniors and People with Disabilities  
Clients by Service Setting, June, 2008**



# Seniors and People with Physical Disabilities

Oregon Population Estimates for Individuals 65 and Older

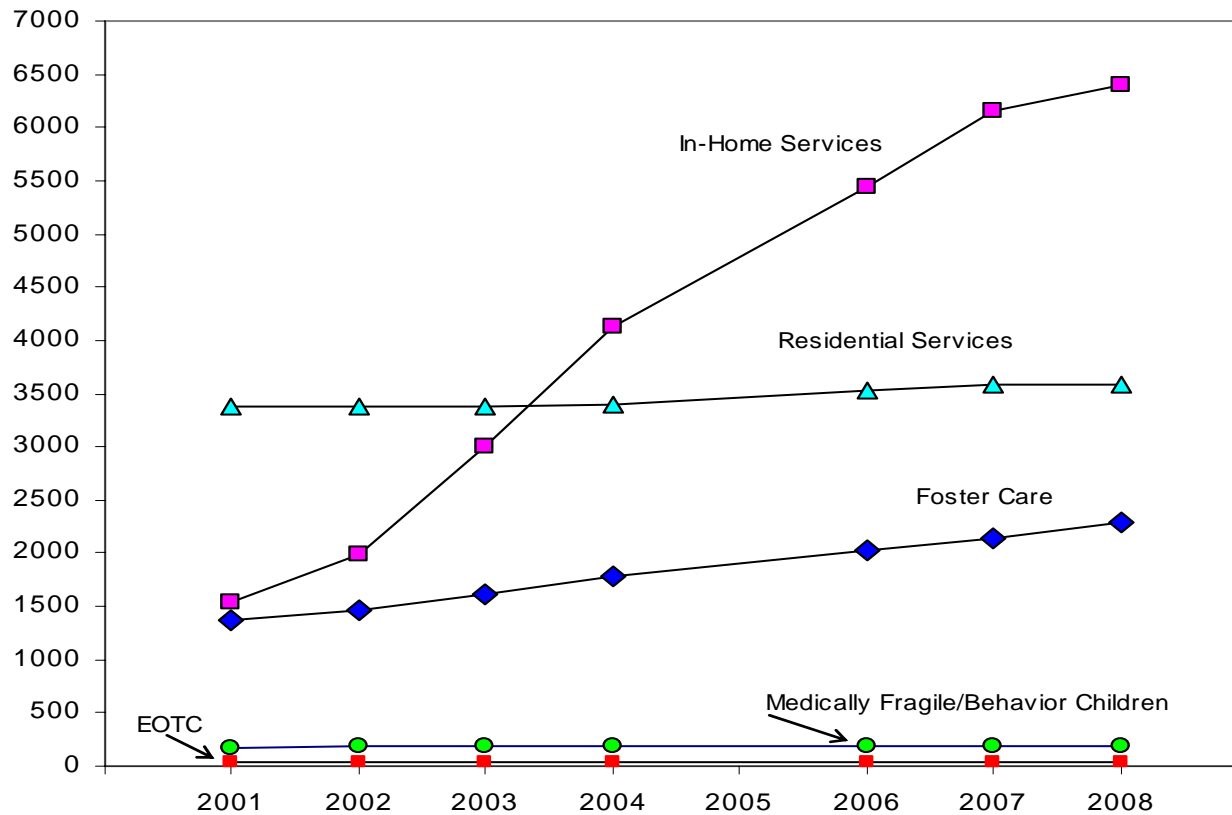


# Seniors and People with Developmental Disabilities

- People with developmental disabilities
  - Include mental retardation, cerebral palsy, Down's syndrome, autism and other impairments of the brain that occur during childhood.
  - Serving almost 17,000 people (adults and children)
  - Services include 24-hour residential, vocational and in-home supports

# Seniors and People with Developmental Disabilities

People with Developmental Disabilities by Care Setting



# Seniors and People with Disabilities

- Major reductions included in the Governor's budget
  - Lower income eligibility from 300% of SSI (\$1,991) to 200% of SSI (\$1,300) for Medicaid Services
    - Of current 27,000 people in service about 4,000 would lose both their long-term care and Oregon Health Plan eligibility - \$98.8 M GF & \$264.9 M TF

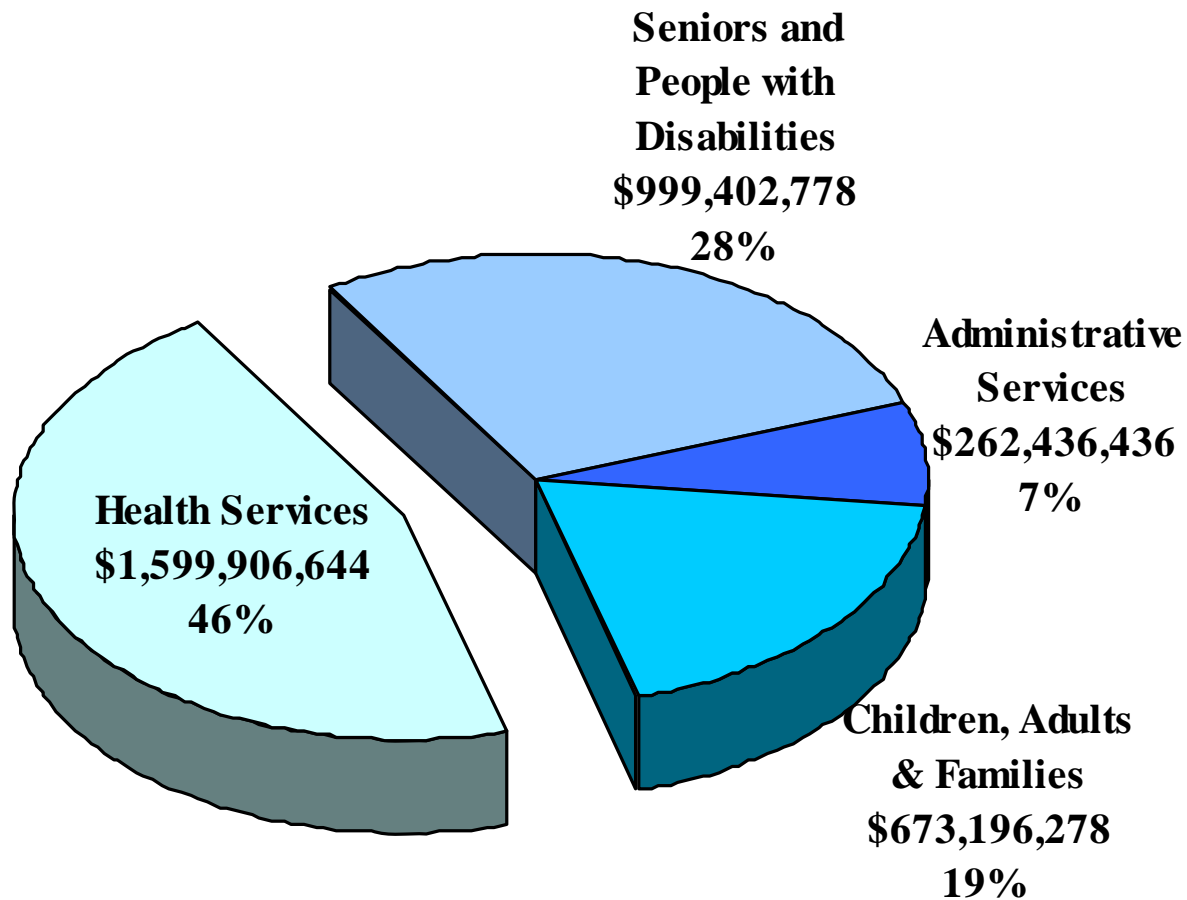
# Seniors and People with Disabilities

- Major reductions included in the Governor's budget - continued
- Eliminate in-home Medicaid services for clients receiving less than 80 hours of service each month
  - About 2,500 of the 10,700 clients would lose access to In-home services and about 1,700 access to the Oregon Health Plan - \$23.1 M GF and \$62.5 M TF

# Seniors and People with Disabilities

- Major reductions included in the Governor's budget - continued
  - Eliminate all cost of living adjustments (COLA) for all SPD providers
    - Some providers have not received recent COLAs - \$25.9M GF & \$72 .0 M TF
  - Limit nursing facility allowable cost limitation
    - Savings by reducing the allowable cost claimed for reimbursement to set rates – 39.1 M GF & \$105.8 M TF

# Health Services (HS)



# Health Services

## ■ Public Health Division (PHD)

- \$500 million program relies heavily on Federal Funds
- Six major programs:
  - Community Health & Health Planning
  - Disease Prevention & Epidemiology
  - Environmental Public Health
  - Family Health
  - Public Health Laboratory
  - State Public Health Director

# Health Services

- Addictions and Mental Health (AMH)
  - \$840 million program relies heavily on General Fund
  - Major Programs
    - Prevention Services
    - Community-Based Addiction, Gambling and Mental Health Treatment Services
    - State-Operated Psychiatric Treatment Facilities
      - Oregon State Hospital, Blue Mountain Recovery Center (BMRC)

# Health Services

- Division of Medical Assistance Programs (DMAP)
  - \$5.8 billion program which relies heavily on Federal Fund Medicaid match.
  - Major Programs
    - Oregon Health Plan
      - OHP-Plus
      - OHP-Standard
    - State Children's Health Insurance Program (SCHIP)

# Health Services

- Investments made in Governor's budget
  - Healthy Kids Program
    - Affordable health care for all Oregon children
    - Paid with provider tax on insurers
  - OHP-Standard Expansion
    - Add 75,000 new clients
    - Paid with hospital provider tax
  - Oregon State Hospital replacement and staffing

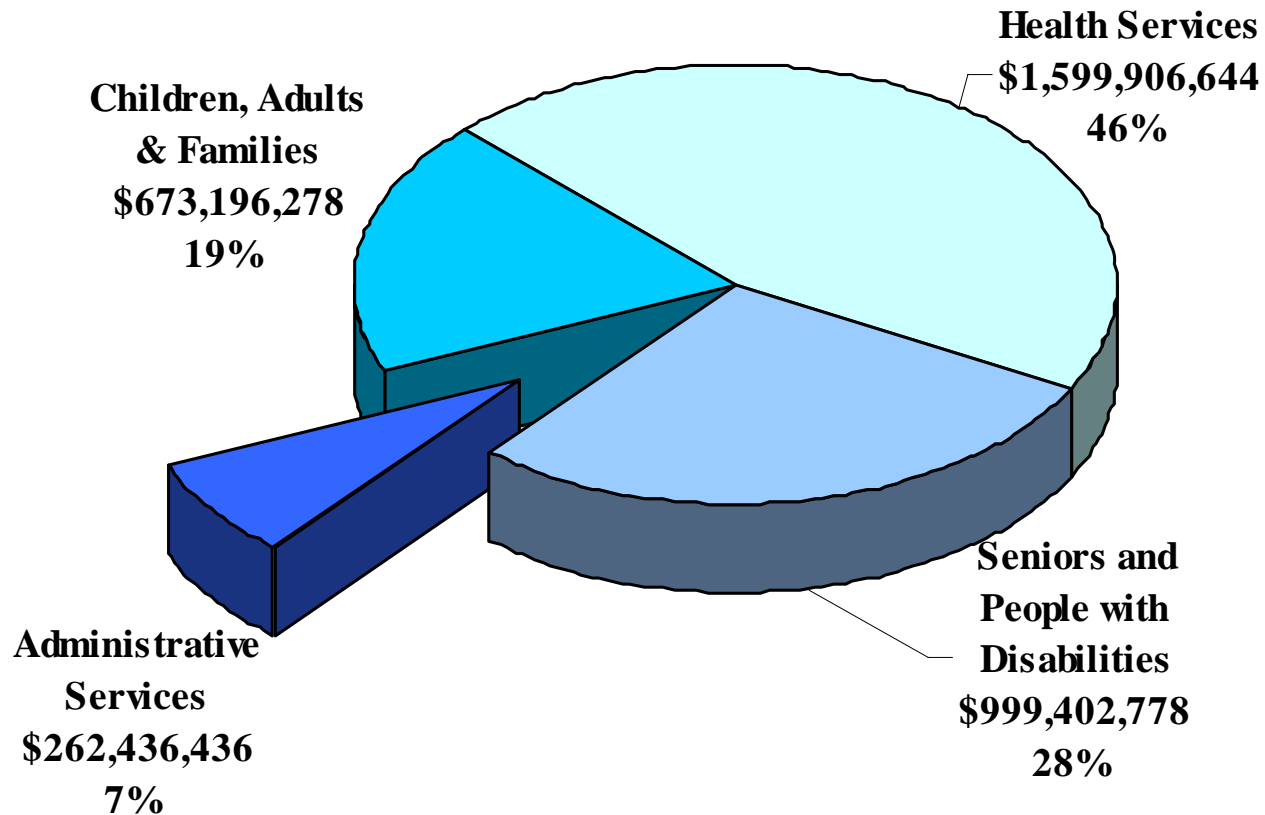
# Health Services

- Major GF reductions included in Governor's budget
  - Enforcement of preferred Prescription Drug List (PDL)
  - Elimination of adult vision and dental services in OHP-Plus
  - Reduction in DRG hospital capitation rates to 72% of cost
  - Reduction in MCO capitation rates by 3%

# Health Services

- Major reductions included in Governor's budget - continued
  - Reduction in Adult Outpatient Mental Services for non-Medicaid clients
  - Reduction in acute inpatient psychiatric care
  - Closure of Blue Mountain Recovery Center
  - Reductions in Alcohol & Drug continuum of care and residential services
  - Elimination of cost of living adjustments

# Administrative Services



# Administrative Services Division - DHS

- Includes all business functions for the Department
  - Director's office
  - Financial Services
  - Administrative Services

# Administrative Services Division - DHS

## ■ Transformation

- The purpose of the DHS Transformation Initiative is to enable Oregon DHS along with our partners and providers, to provide world-class, efficient and effective services to our citizens and clients so that Oregonians can be healthy, independent and safe.
- Projections show a continuing growth in demand for services, along with a revenue stream that is not keeping pace. At the same time, citizens and stakeholders are expecting more accountability. In response to these challenges, in December 2007 DHS launched the Transformation Initiative and declared its intention to become a world-class health and human services organization over the next 2-3 year period.

# Department of Human Services

## ■ Review

- \$718 million General Fund below EBL (-17%)
- Major investments
  - Healthy Kids Program
  - Oregon Health Plan expansion
  - Oregon State Hospital