

# **Presentation to the Disabilities Commission**

## **Thursday, January 13, 2005**

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**Senate Finance Committee**

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### **Overview**

- Review of 2004 Health and Human Resources Budget Decisions
- Highlights of the Governor's Health and Human Resources Amendments to the Budget
- Focus on the Governor's Housing Initiatives
- State Implications of Federal Budget Woes

# HEALTH AND HUMAN RESOURCES

## *Looking Back*

- The 2004 General Assembly made a significant commitment to improve community-based services for individuals with mental and physical disabilities.
- New support for Olmstead initiatives totaled \$130 million of which \$77 million was general fund monies.
  - \$7.4 million to serve 105 individuals with cerebral palsy, autism or epilepsy through the Medicaid Developmental Disabilities Waiver;
  - \$1.9 million to expand brain injuries to unserved and underserved regions of the Commonwealth;
  - \$320,000 to restore funding for Centers for Independent Living that was reduced during the 2002-04 biennium; and
  - \$150,000 to restore services provided through community rehabilitation workshops.

# HEALTH AND HUMAN RESOURCES

## *The "Big Picture"*

2004-2006 Biennial Budget (in millions)		
	<u>General Fund</u>	<u>Nongeneral Fund</u>
Base Budget	\$ 6,121.1	\$ 9,702.1
SB 700	259.0	363.0
Revised Total	\$6,380.1	\$10,065.1
Percent Change	4.2%	3.7%

## *Who Gets What?*

Governor's Proposed Amendments (in millions)		
<u>Agency</u>	<u>General Fund</u>	<u>Nongeneral Fund</u>
<b>Medical Assistance Services</b>	<b>\$ 241.4</b>	<b>\$ 297.5</b>
Social Services	15.0	54.1
Health	1.3	10.2
MH, MR, and SAS	0.8	0.0
Rehabilitative Services	0.3	0.0
Aging	0.2	0.0
Secretary's Office	0.2	0.0
Health Professions	0.0	0.9
Deaf & Hard of Hearing Srvs	0.0	0.1
Board of People with Dis.	0.0	0.1
Center for Blind & Vision Imp.	0.0	0.1
Comprehensive Services Act	0.0	0.0
<u>Blind &amp; Vision Impaired</u>	<u>0.0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$ 259.2</b>	<b>\$ 363.0</b>

## HEALTH AND HUMAN RESOURCES

### *Proposed Increases*

- Mandatory and high priority spending account for 90 percent (\$265.1 million) of the general fund increase proposed for health and human resources.
  - \$209.6 million to fully fund projected caseload and cost growth in Medicaid;
  - \$16.6 million to increase Medicaid reimbursement rates for obstetrical services by 34 percent -- the first rate increase since 1991;
  - \$9.4 million for additional families qualifying for Temporary Assistance for Needy Families (TANF) and mandated child day care services;
  - \$6.9 million to offset shortfalls in prescription medications for individuals served by community service boards and state facilities; and
  - \$4.5 million to continue services for 4,207 infants and toddlers with developmental delays who need occupational, physical and speech therapy services.
- Discretionary spending accounts for the remaining 10 percent (\$30.9 million) of new general fund support in health and human resources.

## HEALTH AND HUMAN RESOURCES

### *Proposed Increases (continued)*

- New initiatives relevant to people with physical and sensory disabilities include the following:
  - Centers for Independent Living. \$150,000 to enhance the funding of seven CILs that operate in underserved regions. Current funding for CILs is \$3.9 million each year.
  - Long-term Rehabilitation Case Management. \$150,000 to reduce the waiting list for individuals who need assistance locating and accessing services. Current funding for the program is \$357,643 each year.
  - Web-based Information System (Celebrating Special Children). \$150,000 to develop an information system to help families access information about services for children with special needs.
  - Olmstead Advisory Committee. \$20,400 for the ongoing meeting-related expenses of the Governor's Olmstead Oversight Advisory Committee.

## HEALTH AND HUMAN RESOURCES

### *Access to Safe & Affordable Housing Remains a Persistent Problem*

- The Governor's budget attempts to address access to housing for persons with disabilities.
  - Mental Retardation (MR) Waiver Start-up Costs. \$1.3 million for start-up costs related to the addition of 700 new MR waiver slots.
  - Transition Costs for Nursing Home and ICF/MR Residents. \$740,000 for one-time costs associated with transitioning the elderly and persons with disabilities from institutional settings to the community.
  - Housing Assistance. \$1.5 million to subsidize community housing options for persons with disabilities who are living in "restricted settings."
  - Auxiliary Grant Home Payments. \$2.3 million to increase the maximum Auxiliary Grant payment from \$894 to \$944 each month.

# HEALTH AND HUMAN RESOURCES

## *Looking Ahead*

- Federal Budget Problems Are Causing State's Fiscal Headaches.
  - Federal Scrutiny of Entitlement Spending. The federal agency responsible for overseeing Medicaid has assigned auditors to closely scrutinize state spending. This summer federal Title IV-E (child welfare services) officials have refused to reimburse the state for up to \$20 million in local claims.
  - Federal Entitlement "Reform". There is serious talk in Washington about reforming entitlement spending like Medicaid and Medicare. It remains unclear how their fiscal woes will affect state budgets.

## APPENDIX

### *Other Olmstead Initiatives*

- Inpatient Hospital Bed Purchases. Includes \$1.8 million to expand the purchase of inpatient treatment beds in private hospitals.
- Crisis Stabilization Services. Adds \$1.1 million to create two, six-bed crisis intervention treatment facilities in the Shenandoah Valley and Tidewater.
- Mental Health Services for Non-mandated Children. Includes \$500,000 for children who are not mandated to receive mental health services under the Comprehensive Services Act (CSA) program.
- Inspector General's Funding. Adds \$491,532 to fully fund the current staff and add oversight of community-based service providers (e.g., community-based Medicaid waiver programs).
- Expand Public Guardianship Programs. Provides \$150,000 to add three new programs and serve 60 additional elderly or disabled individuals without family or friends to provide guardian services.