

# Seniors and People with Disabilities Division

## Governor's Recommended Budget

The following is a summary of the packages and adjustments that were incorporated in the development of the 2007-09 budget for the Seniors and People with Disabilities Division. Descriptions of each category listed in the display below and additional information regarding the budget follow this display.

	General Funds	Other Funds	Federal Funds	Total Funds	Pos	FTE
<b>Base Budget:</b>	888,523,144	178,989,753	1,460,915,371	2,528,428,268	1,949	1,913.70
<b>Essential Packages:</b>						
10- Vacancy Factor/Non PICS	186,640	(20,647)	140,384	306,377	-	-
21- Phase In	42,436,680	527,549	55,090,184	98,054,413	-	-
22- Phase Out	(2,168,044)	(32,079,555)	(49,051,903)	(83,299,502)	-	-
30- Inflation and CPI	34,419,322	501,911	51,099,028	86,020,261	-	-
40- Mandated Caseload	57,599,914	676,793	71,730,519	130,007,226	(5)	(10.15)
50- Fund Shift	(3,858,772)	(1,062,755)	4,921,527	-	-	-
60- Technical Adjustments	-	(67,916)	(186,532)	(254,448)	-	-
70- Revenue Shortfalls	-	-	-	-	-	-
<b>Total Essential Packages:</b>	<b>128,615,740</b>	<b>(31,524,620)</b>	<b>133,743,207</b>	<b>230,834,327</b>	<b>(5)</b>	<b>(10.15)</b>
<b>Essential Budget Level:</b>	<b>1,017,138,884</b>	<b>147,465,133</b>	<b>1,594,658,578</b>	<b>2,759,262,595</b>	<b>1,944</b>	<b>1,903.55</b>
<b>Adjustments to Achieve Governor's Recommended Budget:</b>						
10- Vacancy Factor	(379,216)	49,796	(109,054)	(438,474)	-	-
21- Phase Ins changes	(281)	-	(154)	(435)	-	-
22- Phase Outs changes	-	(4,389,393)	(1,900,050)	(6,289,443)	-	-
40- Mandated Caseload changes	4,182,371	1,085,157	6,176,338	11,443,866	-	-
50- Fund Shift changes	10,031,331	-	(10,068,830)	(37,499)	-	-
60- Technical Adjustments	-	(33,514)	227	(33,287)	-	-
84- November 2006 E-Board	-	123,165	5,740,659	5,863,824	-	-
90- Analyst Adjustments (Reductions)	(15,214,531)	(10,628,135)	(3,118,955)	(28,961,621)	-	(123.98)
<b>Total Adjustments:</b>	<b>(1,380,326)</b>	<b>(13,792,924)</b>	<b>(3,279,819)</b>	<b>(18,453,069)</b>	<b>-</b>	<b>(123.98)</b>
<b>Revised Essential Packages:</b>						
10- Vacancy Factor	(192,576)	29,149	31,330	(132,097)	-	-
21- Phase Ins changes	42,436,399	527,549	55,090,030	98,053,978	-	-
22- Phase Outs changes	(2,168,044)	(36,468,948)	(50,951,953)	(89,588,945)	-	-
30- Inflation and CPI	34,419,322	501,911	51,099,028	86,020,261	-	-
40- Mandated Caseload changes	61,782,285	1,761,950	77,906,857	141,451,092	(5)	(10.15)
50- Fund Shift changes	6,172,559	(1,062,755)	(5,147,303)	(37,499)	-	-
60- Technical Adjustments	-	(101,430)	(186,305)	(287,735)	-	-
84- November 2006 E-Board	-	123,165	5,740,659	5,863,824	-	-
90- Analyst Adjustments (Reductions)	(15,214,531)	(10,628,135)	(3,118,955)	(28,961,621)	-	(123.98)
<b>Total Revised Essential Packages:</b>	<b>127,235,414</b>	<b>(45,317,544)</b>	<b>130,463,388</b>	<b>212,381,258</b>	<b>(5)</b>	<b>(134.13)</b>

	General Funds	Other Funds	Federal Funds	Total Funds	Pos	FTE
<b>Policy Packages included in the Governor's Recommended Budget:</b>						
101-6 Health Kids Plan	-	168,511	235,080	403,591	-	-
101-13 DD Juvenile PSRB, SB 232	1,989,287	88,453	119,367	2,197,107	1	0.88
102-25 Independent Status for the HCC	158,963	-	-	158,963	-	-
102-26 DD Provider Rates & Restructure	12,000,000	-	17,103,770	29,103,770	-	-
102-27 Nursing Facilities Provider Tax	(25,677,537)	40,438,467	23,410,600	38,171,530	-	-
102-28 Transfer AAA 95% Equity	5,773,473	-	5,773,473	11,546,946	-	-
103-36 Oregon Health Plan Standard	-	339,915	339,917	679,832	6	2.35
103-40 SHIBA	825,764	-	-	825,764	-	-
103-41 LTCO Transfer	(418)	92,689	92,690	184,961	-	-
106-55 OPAR Infrastructure	(373,560)	373,560	-	-	-	-
106-61 OSH & SPD MMA Infrastructure	2,250,490	-	2,010,478	4,260,968	19	18.54
106-64 Ensuring Quality Care-CBC	338,204	-	338,204	676,408	6	5.22
106-65 Dept. of Justice- CDIU	-	-	18,193	18,193	-	-
109 Nursing Facility Staffing	3,000,000	-	4,428,799	7,428,799	2	1.00
<b>Total Policy Packages:</b>	284,666	41,501,595	53,870,571	95,656,832	34	27.99
<b>Governor's Recommended Budget</b>	<b>1,016,043,224</b>	<b>175,173,804</b>	<b>1,645,249,330</b>	<b>2,836,466,358</b>	<b>1,978</b>	<b>1,807.56</b>

Base budget: This is the 2005-07 Legislatively Approved Budget as of the April 2006 Special Session.

**Essential Package 010 – Vacancy Factor:** The Vacancy Factor calculation projects budget changes related to staff turnover and position vacancy in the 2007-09 biennium. Non-PICS (Personal Inventory Control System) Personal Services inflation includes any items not part of the PICS generated totals. These include unemployment assessment, overtime, temporary services, shift differential, and Mass Transit Tax. The biennial general inflation factor of 3.1 percent was applied to these Non-PICS Personal Service items.

- Vacancy factor for Eastern Oregon Training Center (EOTC), State Operated Community programs (SOCP) Program Support and Central Administration
- Non-PICS Personal Services cost and additional Pension Bond contribution
- The Governor's Recommended Budget includes BAM adjustments for the Pension Obligation Bond and vacancy savings factor

Package Details	GF	OF	FF	FF-Non Lim	Total
Non-PICS Personal Services-Central Admin and Program Support	7,539	(5,603)	13,222	-	15,158
Vacancy Factor-Central Admin and Program Support	7,049	-	22,983	-	30,032
Non-PICS Personal Services-EOTC & SOCP	80,165	1,606	120,210	-	201,981
Vacancy Factor- EOTC & SOCP	5,391	-	17,576	-	22,967
Non-PICS exception -EOTC - withdrawn	-	-	-	-	-
Pension Bond Contribution	86,496	(16,650)	(33,607)	-	36,239

<b>Package Details</b>	<b>GF</b>	<b>OF</b>	<b>FF</b>	<b>FF-Non Lim</b>	<b>Total</b>
BAM Adjustments	(379,216)	49,796	(109,054)	-	(438,474)
<b>Total Package 010</b>	<b>(192,576)</b>	<b>29,149</b>	<b>31,330</b>	-	<b>(132,097)</b>

**Essential Package 021 – Cost of Phase-ins:** This package is related to new programs and expansion of non-mandated programs funded for less than 24 months during the 2005-07 biennium, but needing a full 24 months in the 2007-09 biennium. The costs for the additional months of funding needed to achieve the 24-month funding level are included in this package.

- Phase-in of the delayed 2005-07 Cost-of-Living Adjustments
- Phase-in of the Homecare Workers Benefits
- Phase-in of the Aged and Physically Disabled (APD) Enhanced Care services
- Phase-in of rollup costs for Developmentally Disabled (DD) crisis mandated caseloads beginning service during 2005-07 biennium
- Phase-in of the 2005-07 Staley Comprehensive Services and In-home caseloads
- Phase-in of a five year Real Choices rate restructuring and housing project grant
- Phase-in of Crisis Case Management for DD crisis mandated caseloads
- Phase-in one time Service and Supplies management savings
- The Governor’s Recommended Budget includes BAM adjustments for changes to the State Government Service Charges

<b>Package Details</b>	<b>GF</b>	<b>OF</b>	<b>FF</b>	<b>FF-Non Lim</b>	<b>Total</b>
Phase-in of rollup costs for Crisis Mandated Caseloads beginning service during the 2005-07 Biennium	27,075,799	-	32,356,133	-	59,431,932
Phase-in Home Care Workers Benefits	696,580	-	1,104,767	-	1,801,347
Phase-in of the delayed 2005-07 Cost of Living Adjustments	5,163,747	527,549	6,775,689	-	12,466,985
Phase-in 2005-07 Staley Comp & In-home caseload	7,769,525	-	12,173,117	-	19,942,642
Phase-in Real Choices Grant	-	-	364,654	-	364,654
Phase-in of Case Management for Crisis Mandated Caseloads beginning service during the 2005-07 Biennium	1,598,697	-	2,086,805	-	3,685,502
Phase-in APD Enhanced Care	30,098	-	47,736	-	77,834

<b>Package Details</b>	<b>GF</b>	<b>OF</b>	<b>FF</b>	<b>FF-Non Lim</b>	<b>Total</b>
Phase-in One-Time S&S Management Savings	102,234	-	181,283	-	283,517
BAM Adjustments	(281)	-	(154)	-	(435)
<b>Total Package 021</b>	<b>42,436,399</b>	<b>527,549</b>	<b>55,090,030</b>	<b>-</b>	<b>98,053,978</b>

**Essential Package 022 – Cost of Phase-outs:** This package is related to any programs permanently eliminated during the 2005-07 biennium, to remove costs in the base budget for the months the program operated during 2005-07. Phase-outs are also related to decreased costs resulting from discontinuation of pilot project programs and other one-time costs that will not be continued in the 2007-09 biennium.

- Phase-out of Older Americans Act Other Funds – a one time carryover from previous biennia
- Phase-out of General Assistance Program
- Phase-out of Employment Initiative Program
- Phase-out of Nursing Facilities Provider Tax due to a sunset provision
- Phase-out of General Fund to the Community Housing Fund for six year obligation notes
- Phase-out of local match for Transfer Area Agencies on Aging (AAAs)

<b>Package Details</b>	<b>GF</b>	<b>OF</b>	<b>FF</b>	<b>FF-Non Lim</b>	<b>Total</b>
Phase out General Assistance	(662,503)	-	-	-	(662,503)
Phase out Employment Initiative	(24,291)	-	-	-	(24,291)
Phase out GF to Community Housing Fund for six year obligation notes	(1,481,250)	-	-	-	(1,481,250)
Phase out Local Match for Transfer AAA	-	(2,668,024)	(4,044,329)	-	(6,712,353)
Phase out Older American's Act Other Funds	-	(1,033,202)	-	-	(1,033,202)
Phase out of NF Provider Tax due to Sunset provision	-	(28,378,329)	(45,007,574)	-	(73,385,903)
BAM Adjustments	-	(4,389,393)	(1,900,050)	-	(6,289,443)
<b>Total Package 022</b>	<b>(2,168,044)</b>	<b>(36,468,948)</b>	<b>(50,951,953)</b>	<b>-</b>	<b>(89,588,945)</b>

**Essential Package 030 – Inflation and Price List Adjustments:** The biennial inflation factors for 2007-09 include 3.1 percent for general inflation and for non-state employee personnel costs (contract providers), and 5.4 percent for medical

services. Some programs may use an annual inflation factor, as approved by the Budget and Management analyst. The annual rates are 2.1/2.1 percent for general inflation and for non-state employee personnel costs, and 3.6/3.5 percent for medical inflation.

- Approved Annual Standard and Medical Inflation applied
- Attorney General rate increase

Package Details	GF	OF	FF	FF-Non Lim	Total
Biennial Inflation (3.1%) SPD	1,753,732	495,649	2,626,319	-	4,875,700
Annual Inflation (2.1%/2.1%) SPD	26,989,026	-	39,455,685	-	66,444,711
Biennial Medical Inflation (5.4%) SPD	17,773	6,093	19,546	-	43,412
Annual Medical Inflation (3.6%/3.5%) SPD	5,627,537	-	8,986,466	-	14,614,003
Attorney General Fees (10.9%) SPD	31,254	169	11,012	-	42,435
BAM Adjustments	-	-	-	-	-
<b>Total Package 030</b>	<b>34,419,322</b>	<b>501,911</b>	<b>51,099,028</b>	<b>-</b>	<b>86,020,261</b>

**Essential Package 040 – Mandated Caseloads:** This includes only programs that have been designated as “mandated” in the DAS budget instructions. Mandated caseload costs reflect the changing costs from caseload and/or cost-per-case fluctuations.

- Forecasted increase in the APD mandated caseload
- Forecasted increase in the DD caseload
- Forecasted increase in the Staley mandated caseload
- Caseload change in the APD staffing levels
- Forecasted increase in the DD Crisis mandated caseload

Package Details	GF	OF	FF	FF-Non Lim	Total
Developmental Disability Crisis Mandated Caseload	25,882,006	-	32,633,369	-	58,515,375
Staley Mandated Caseload	11,793,115	1,500,000	11,463,558	-	24,756,673
APD Mandated Caseload	20,409,410	(823,207)	29,518,051	-	49,104,254
APD Staffing Changes	(484,617)	-	(1,884,459)	-	(2,369,076)
BAM Adjustments	4,182,371	1,085,157	6,176,338	-	11,443,866
<b>Total Package 040</b>	<b>61,782,285</b>	<b>1,761,950</b>	<b>77,906,857</b>	<b>-</b>	<b>141,451,092</b>

**Essential Package 050 – Fund Shift:** This package reflects revenue changes in existing programs. The change may have occurred during the 2005-07 biennium or may be expected to occur during the 2007-09 biennium.

- Fund Shift of one time Supplemental Security Income (SSI) recoveries related to the General Assistance Program, abolished September 30, 2005
- Change in Federal Medicaid Assistance Participation (FMAP) for APD program expenditures from 61.33 percent to 61.34 percent
- Fund shift for Contract Registered Nurses from 75 percent to 61.34 percent
- Fund shift due to one time revenue from Estate Recoveries
- Fund shift due to a change in the developmentally disabled participation rate
- Change in FMAP for DD program expenditures from 61.33 percent to 61.34 percent
- The Governor’s Recommended Budget includes BAM adjustment for FMAP change from 61.34 to 60.89

<b>Package Details</b>	<b>GF</b>	<b>OF</b>	<b>FF</b>	<b>FF-Non Lim</b>	<b>Total</b>
The biennial average Federal Medical Assistance Percentage (FMAP) rate changes from 61.33% to 61.34% in 2007-09	(789,320)	(163)	789,483	-	-
Fund Shift to remove one time GA related SSI Recoveries	542,592	(542,592)	-	-	-
Fund Shift due to one-time Estates Recoveries revenue	520,000	(520,000)	-	-	-
Fund Shift Developmentally Disabled Participation Rate	(4,723,415)	-	4,723,415	-	-
Fund Shift Contract RNs	591,371	-	(591,371)	-	-
BAM Adjustments	10,031,331	-	(10,068,830)	-	(37,499)
<b>Total Package 050</b>	<b>6,172,559</b>	<b>(1,062,755)</b>	<b>(5,147,303)</b>	<b>-</b>	<b>(37,499)</b>

**Essential Package 060 – Technical Adjustments:** This package is used for technical budget adjustments, such as agency reorganizations and expenditure category shifts that do not fit into the standard essential packages 010 through 050.

- The Governor’s Recommended Budget includes adjustments for the Long-Term Care Ombudsman adjustment for transfers and special payments
- Board of Nursing transfer for Certified Nursing Assistants Program

- The Governor's Recommended Budget includes BAM adjustments for the Department of Justice revenue and special payments

Package Details	GF	OF	FF	FF-Non Lim	Total
Long-Term Care Ombudsman (LTCO) Adjustment for Transfers/Spec Pay	-	85,425	86,658	-	172,083
Adjustment to Board of Nursing Transfer for CNA Program	-	(153,341)	(317,554)	-	(470,895)
Dept of Justice (DOJ) Adjustment for Spec Pay	-	-	44,364	-	44,364
BAM Adjustments	-	(33,514)	227	-	(33,287)
<b>Total Package 060</b>	-	<b>(101,430)</b>	<b>(186,305)</b>	-	<b>(287,735)</b>

**Essential Package 084 – Rollup of the December 2006 Rebalance:** Package 084 was added to the Governor's Recommended Budget to incorporate the 2007-09 impact of budget adjustments made in the December 2006 Rebalance.

- Disability Determination Services fully federally funded program required an increase in federal funds limitation
- Assistive Technology Grant federal funds limitation

Package Details	GF	OF	FF	FF-Non Lim	Total
BAM Adjustments	-	123,165	5,740,659	-	5,863,824
<b>Total Package 084</b>	-	<b>123,165</b>	<b>5,740,659</b>	-	<b>5,863,824</b>

**Essential Package 090 – Analyst Recommended Adjustments:** Package 090 was added to the Governor's Recommended Budget and includes additional changes to the budget by the Budget & Management Analyst.

- The Governor's Recommended Budget includes adjustments for the Board of Nursing transfer for Certified Nursing Assistants Program
- The Governor's Recommended Budget includes the following program reductions:
  - ◆ Administrative expenditures includes a reduction of \$400,000 General Fund
  - ◆ DD Service Element 45: a 24 month program elimination of Nursing Facilities Specialized Services, currently 100% General Funded services offered but not mandated in the DD program with the expectation that the 70 individuals currently utilizing these services are moved into community-based care settings.

- ◆ The Governor’s budget proposed closing one State Operated Group Home. The reduction of one home would be made by holding open three vacancies if possible. The phase out would be over a period of time and include reduction of 18 staff positions and assumes placement in other group homes for three clients.
- ◆ The Governor’s budget proposed to transition the remaining 40 individuals currently residing at the Eastern Oregon Training Center into community group homes or foster care settings. The goal is to begin transitioning individuals out of EOTC in the summer of 2007, with the last resident leaving by May 1, 2008. Cost savings are based on 18 months savings offset with the cost of moving clients to community based care settings.
- ◆ The Governor’s budget includes a \$4 million increase over the current budget level for Oregon Project Independence (total budget \$16.6 million) and is funded with Other Funds from the Senior Property Tax Deferral program of approximately \$16.6 million.

<b>Package Details</b>	<b>GF</b>	<b>OF</b>	<b>FF</b>	<b>FF-Non Lim</b>	<b>Total</b>
BAM Adjustments	(15,214,531)	(10,628,135)	(3,118,955)	-	(28,961,621)
<b>Total Package 090</b>	<b>(15,214,531)</b>	<b>(10,628,135)</b>	<b>(3,118,955)</b>	-	<b>(28,961,621)</b>

## Policy option packages

The following Policy Packages are included in the Seniors and People with Disabilities Governor’s Recommended Budget for 2007-09.

### Policy Package Initiative 101: Children’s Health and Safety

- Healthy Kids Plan - When fully implemented, the Healthy Kids Plan would provide health insurance to over 100,000 uninsured Oregon children, who are primarily from working families.
- DD Juvenile Psychiatric Security Review Board, Senate Bill 232 amendment – Senate Bill 232 (2005) requires DHS to present a plan to the 2007 Legislature to integrate adjudicated DD juveniles into the Psychiatric Security Review Board (PSRB) process. This plan involves setting up closed custody secure settings for children. This Policy Package element was modified in the Governor’s Recommended Budget.

## **Policy Package Initiative 102:** Community Provider Initiative

- Independent Status for the HCC – The Home Care Commission, which collectively bargains with home care providers, needs to be statutorily outside SPD as an independent commission. The Commission is now fully implementing its constitutional and statutory responsibility for training, maintaining a registry of providers, and bargained contracted grievances. By law, these functions cannot be maintained in DHS.
- Developmentally Disabled Provider Rate, Local Admin Adjustment and Rate Restructure Pilot – Increases the Developmentally Disabled (DD) provider rates and other payroll expenses. Also adds funding for the DD Rate Restructure pilot assessment tool.
- Nursing Facilities Provider Tax Revisions – Nursing Facilities Provider Tax package addresses current sunset provision, restores the rate in essential budget level to the current rate, then medically inflates, and is paid for by provider tax revenue.
- Transfer AAA 95 percent Statutorily Required Equity Requirement – This action phases in a 95 percent calculated equity for the Transfer AAAs per the legislative intent in House Bill 2288 and Oregon Administrative Rule 411-002-0175. In the 2003 legislative session, legislation passed that required DHS to annually calculate the actual cost of running field offices for Senior and Disability Services with state employees. The legislation required DHS to establish an allocation methodology and adopt by rule a methodology for determining annual budget levels, which results in a budget level of not less than 95 percent of the amount that would otherwise be budgeted for a local DHS office.

## **Policy Package Initiative 103:** Access to Health Care

- Oregon Health Plan Standard--increase the number of people served in the capped program – Increase the cap on the Oregon Health Plan (OHP) standard enrollment from 24,000 to 34,000. The program has been closed to new enrollment since July 2004 to meet budget limitations.
- Senior Health Insurance Benefits Assistance Transfer – This package enhances the Senior Health Insurance Benefits Assistance (SHIBA) program, assisting Oregon’s seniors. This program is operated through the Dept. of Consumer and Business Services. DHS is sponsoring the enhancement portion of the SHIBA program presented in this POP with pass-through dollars only.
- LTCO Transfer – Long-Term Care Ombudsman Essential Data Support and Response to Increased Demand for Services – This package would provide dedicated clerical support for the database required for federal reporting and

agency performance measures and two additional Deputy State Long-Term Care Ombudsmen for increasing the program's presence in facilities, increasing the number of program volunteers, and increasing the capacity to respond to cases with pass-through dollars only.

### **Policy Package Initiative 106: DHS Efficiency Improvements**

- OPAR Enhancements – This element will strengthen payment accuracy & recovery efforts by: 1) establishing a small unit to perform training and outreach efforts; 2) centralizing functions to improve data sharing and efficiency; 3) adding staff to eliminate and prevent backlogs of accounts receivable; and 4) replacing the core systems used by OPAR staff as recommended by a recent study by an outside consultant.
- Oregon State Hospital and SPD Medicaid Modernization Act Implementation - on-going workload – This package is necessary for DHS compliance with the requirements of the Medicaid Modernization Act (MMA). In SPD 19 positions will be needed, 18.52 full-time equivalent, due to the impact of the increased workload added from MMA compliance.
- Ensuring Quality of Care in Community Based Care Facilities – This package strengthens Community Based Care quality assurance monitoring, training and compliance as well as a commercial Adult Foster Home business developer.
- Department of Justice – Cooperative Disability Investigative Unit – This package is necessary for Cooperative Disability Investigative Unit (CDIU) compliance with the Budget Note requirement.

### **Policy Package Initiative 109: Nursing Facilities Staffing Commission**

- Governor Kulongoski appointed the Nursing Facility Staffing Commission in July 2006 and charged it with recommending strategies to enhance Oregon's minimum Certified Nursing Assistant staffing ratios to maximize quality outcomes for nursing facility residents. The Commission recommended an increase in the current ratio of 1.66 hours per resident day to 2.46. The Commission additionally recommended that the state implement monitoring and enforcement rules to ensure compliance with new staffing standards.
- The Governor's Recommended Budget invests \$3.0 million to increase Oregon's minimum Certified Nurse Assistant staffing levels and to initiate a quality improvement initiative in cooperation with Oregon's nursing facilities.