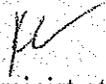




STATE OF WASHINGTON  
DEPARTMENT OF SOCIAL AND HEALTH SERVICES

April 6, 2009

TO: ADSA Staff and Stakeholders

FROM: Kathy Leitch, Assistant Secretary   
Aging and Disability Services Administration

SUBJECT: **House and Senate 2009-11 Budget Proposals**

On March 30 and March 31 the House and Senate budget chairs released their 2009-11 budget proposals. Detailed information about these proposals can be found at <http://leap.leg.wa.gov/leap/budget/detail/proposals.asp>. The Ways and Means Committees in both chambers held hearings on the proposed budgets last week.

Highlights and comparisons of the proposed budgets are listed below.

**Maintenance level** items in both proposed budgets for ADSA as a whole (both Long-Term Care (LTC) and Division of Developmental Disabilities (DDD) include the items below.

- Mandatory caseload and workload adjustments.
- Costs associated with changes in costs and utilization rates.
- Lease and mileage rate adjustments.

**Policy level** items in both proposed budgets for ADSA as a whole (both LTC and DDD) include the items below as well as items specific to each division.

***Reductions and Revenue Changes (all ADSA):***

- An increase in the state's Federal Medicaid Assistance Percentage (FMAP) from the federal stimulus package, which will decrease General Fund-State obligations.
- Adult day health is completely eliminated in the House budget, and eliminated only for clients in residential settings in the Senate budget. Transportation for adult day health services is eliminated in both budgets.
- A reduction in funding for in-home care hours, by approximately three percent in the Senate budget, and approximately four percent in the House budget.
- A reduction in funding because home care agencies will not be allowed to assign employees to perform work for relatives or persons they live with.
- A reduction in payment rates for adult family homes and boarding homes of approximately three percent in the Senate budget and of approximately five percent in the House budget.



- The House budget assumes the administration will achieve administrative savings of \$4.6 million in LTC and \$11.9 million in DDD. The Senate budget assumes administrative savings of \$3.9 million in LTC and \$6.6 million in DDD.
- The House budget assumes an increase in adult family home license fees.

***HB 2284 and I-1029 Training Additions and Reductions (all ADSA):***

- Funding for DSHS and DOH system preparation for long term care worker training and certification required under Initiative 1029 is funded in the House budget. Funding for federal background checks for all long term care workers beginning January 1, 2010 is included in both budgets.
- Neither budget delays Initiative 1029. A small amount of trust contributions are funded in the Senate for training for individual providers. In the legislative proposals it appears that enhanced training requirements may have to be paid by agencies, facilities and/or workers.
- Peer mentoring requirements under E2SHB 2284 are not funded for the 2009-11 biennium.

**Additional policy level items in both proposed budgets specific only to LTC include:**

***Additions (LTC Only):***

- Moving individuals with dementia from state hospitals to community long term care settings.
- Funding is provided in the House budget for placement of Department of Corrections offenders released to an Extraordinary Medical Placement in the community.

***Reductions & Revenue Changes (LTC Only):***

- Savings achieved by expanding Roads to Community Living, to transition clients with complex needs from nursing homes to community-based settings with intensive supports.
- Reductions to the Area Agencies on Aging for the Senior Citizens Services Act (SCSA). The House budget reduces funding for all services using SCSA funds including senior nutrition, information and assistance, and other items funded by approximately five percent. The Senate budget does not cut service funds but cuts approximately 10 percent of SCSA administrative funds.
- A reduction of most of the funding for the Volunteer Chore program is included in the House budget.
- Elimination of state fund support for the Senior Companion and Foster Grandparent programs.
- Savings achieved by utilizing long-term care surveyors instead of nurses where feasible for nursing home survey tasks.
- A nursing facility rate reduction of approximately five percent from the current rate in the House budget, and approximately four-and-a-half percent from the current rate in the Senate budget.
- The House budget assumes a nursing facility license fee increase.

**Additional policy level items in both proposed budgets specific only to DDD include:**

***Additions (DDD Only):***

- Funding is provided for home and community-based waiver services for 60 new clients with developmental disabilities who are: (1) Children who are at risk of institutionalization, in

residential habilitation centers, or who are aging out of other state services; community based waiver clients assessed as having an immediate need for increased services; (2) residents of RHCs who are able to be cared for and choose to live in community settings; (3) adult clients without residential services who are at immediate risk of needing institutional placement or in crisis; and (4) current home and community-based waiver program clients who have been assessed as having an immediate need for increased services.

- Funding for home and community-based waiver services for 32 individuals who are being diverted or discharged from state psychiatric hospitals; participants in the Dangerous Mentally Ill Offender program; participants in the Community Protection program; or mental health crisis diversion outplacements.

***Reductions & Revenue Changes (DDD Only):***

- Closure of Yakima Valley School in the Senate budget but not included in the House budget. The Senate budget also requires ADSA to complete a report and plan by early 2010 on the potential closure of Frances Haddon Morgan Center.
- Eligible clients currently receiving employment/day or residential services paid solely with state funds will be moved to a waiver in order to obtain federal cost-sharing.
- Supported living and group home rates are reduced by approximately three percent in the Senate budget.
- A reduction in funding of employment and day programs by approximately five percent in the House budget and about three percent in the Senate budget. The House budget also assumes that administration of the Employment and Day Program is transferred from the counties to the Division of Developmental Disabilities.
- Funding is reduced by approximately three percent in the Senate budget for the Individual and Family Support program.
- Savings are assumed based on delay in implementation of the Children Intensive In-Home Behavioral Support (CIIBS) waiver.
- Savings are assumed in both budgets by holding slots vacant as individual's transition out of residential settings.
- Elimination of grants to counties for publications and family coalition support.
- Swimming pools at Fircrest and Rainier Schools are closed.
- Elimination of state-paid services to clients with developmental disabilities residing in the community who currently utilize professional services at the state's Residential Habilitation Centers.

Other state budget items of interest to ADSA staff and stakeholders include:

- The Senior Falls Prevention Program in the Department of Health is eliminated in both budgets.
- Funding to the Developmental Disabilities Council for legal services for clients living in DSHS facilities as part of the community protection needs is eliminated.
- Funding for General Assistance Unemployable cash grants is reduced in the Senate budget. General Assistance Unemployable medical expenditures are reduced in both budgets.
- Reimbursement for Durable Medical Equipment (DME) is reduced and limitations are placed on the quantity of some items such as incontinence supplies and sterile gloves.

- Funding is eliminated for premium co-payments for dual-eligible (Medicaid and Medicare) clients enrolled in Medicare Part C Advantage Plans. Funding for Medicare Part D drug program co-payments are eliminated in the House budget.
- Expenditures for dental services are reduced by approximately six percent in the Senate budget. The House budget eliminates funding for a Senior Dental Pilot in Southwest Washington.
- Funding is eliminated for vision and hearing services for adults in the House budget.
- Funding is provided for the continued implementation of ProviderOne, but no funding is provided for the Provider Compensation Subsystem of ProviderOne.
- Funding for state employee health benefits is increased by three percent each year in the Senate budget and five percent each year in the House budget.
- The managed care rates paid to the Regional Support Networks are reduced.
- Funding for Individual Provider registry sites, managed by the Home Care Quality Authority, are reduced in the House budget.

As these budgets move out of the respective houses, a conference committee will be convened to determine the final budget for the 2009-11 biennium. We will continue to update you on budget proposals and enactments.