

# *A* Communication from the Policy Information Exchange

# *Slice of Pie*

*A Slice of Pie* is an ongoing publication keeping our readers informed about important public policy issues.

It is the mission of the Policy Information Exchange to **educate and inform Pennsylvanians with disabilities, their families and advocates, and the general public, regarding public policy issues and to further the exchange of policy information between the Pennsylvania Developmental Disabilities Council and federal, state, and local policy makers.**

*The Policy Information Exchange is funded in part by the Pennsylvania Developmental Disabilities Council.*

## STATE NEWS

### State Budget 2012-13

On Feb. 7, 2012, PA Governor Tom Corbett released his budget proposal for the fiscal year that begins on July 1, 2012 and runs until June 30, 2013. The proposed budget is \$20 million lower than the current year's (2012-13) budget. Thirty-three line items were eliminated and another 164 reduced, including a number of key disability-related programs. About 650 state employee positions will be eliminated under the Governor's proposal. Below we summarize some of the key budget items which are important

to the disability community. Note that **these are only proposals** at this point. The General Assembly is holding hearings on the budget. Legislative leadership will negotiate with the Governor before passing a final budget, due by June 30.

For information on the Governor's Proposed Budget go to [www.portal.state.pa.us/portal/server.pt?open=512&objID=4566&mode=2](http://www.portal.state.pa.us/portal/server.pt?open=512&objID=4566&mode=2)

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## DEPARTMENT OF PUBLIC WELFARE

### General DPW

DPW Secretary Gary Alexander, in his remarks on various occasions, has emphasized a number of key points or goals for the Department: more efficiency, less state control and reduction in the number of waivers. As for the first point, there are many significant cuts throughout the proposed budget and the expectation that people will do more with less.

In terms of reducing state control and increasing local decision-making, the Governor has proposed a new block grant, the **Human Services Development Fund (HSDF) Block Grant**, to be administered by the counties. The Governor proposed moving the following programs into the Block Grant: **Community Mental Health; Behavioral Health; Intellectual Disabilities Base Services; Medical Assistance Outpatient (including Act 152 Drug and Alcohol Services); Human Services Fund**; County Child Welfare; and Homelessness. The combined total is \$168 million or 20% less than the total funding for those programs in the current year. It will be up to the counties to decide on priorities for spending the reduced funds.

One bright spot, amid the fund cuts, is the proposed inclusion of start up funds for **Adult Protective Services (APS)**. This funding would help to implement Act 70 of 2010. The funds appear as part of a number of line items—General Government Operations; Information Systems; Long Term Care; Mental Health; and Intellectual Disabilities Waivers—for a total of \$1,719,000.

### Medical Assistance

One of the major changes that the Governor proposes is the **elimination of cash grants** to 60,000 current recipients. They include people with disabilities and chronic illnesses. Many of those recipients will also lose Medical Assistance.

Premiums for **Medical Assistance for Workers with Disabilities (MAWD)** would be increased by 50% under the Governor's proposal at a projected savings of \$10 million. DPW also projects saving \$59 million by reducing provider reimbursements. In addition, many fee for service programs are slated to save \$45 million through as-yet undefined "high cost case reviews."

**Health Choices** (Medical Assistance Managed Care) will be expanded, leading to an increase in the Medical Assistance Capitation budget and reductions in the Medical Assistance In and Out patient line items.

After cuts in the current year, **Medical Assistance Transportation** state funds would increase 14.7% next year under the proposed budget.

**Medical Assistance Special Pharmaceuticals**, which provides mental health drugs, would be reduced 44.5% from the amount originally appropriated for the current year or 19.5% from the revised and reduced amount for the current year.

### Office of Developmental Programs

**Intermediate Care Facilities** for people with intellectual disabilities would be reduced by 1%. There would be changes in provider reimbursements and 84 beds

would be converted to community waiver funding.

**Base funding** is moved to the **Human Services Development Fund Block Grant** at a reduced amount.

The **two Intellectual Disabilities waivers** are slated for a 1% increase, but there is **no waiting list initiative**. Additional savings are projected through “high cost case reviews.”

**Autism** funds are cut 15.8%. The budget indicates that the cut is due to “non-recurring projects.” The Secretary indicated that funding for the current year was not being spent and would carry over.

### **Office of Mental Health and Substance Abuse Services**

Mental Health services are reduced dramatically in this budget. There is one line item for both community services and state hospitals. For the current year, the total line item is \$717,213,000. The Governor proposes reducing that amount to \$166,819,000—an amount intended for the state hospitals. This amount is less than the current year, in anticipation of some downsizing, but no hospital closings are planned. Funding for **community mental health** is moved to the Human Services Development Fund Block Grant and reduced by 20% in the Governor’s proposed budget.

The **Behavioral Health Services Initiative (BHSI)** which funds county mental health services and drug and alcohol treatment services for adults who are not eligible for Medical Assistance is one of the programs put into the HSDF block grant to the

counties. Funding proposed to be block granted would be reduced by 20%.

As noted above, **Medical Assistance Special Pharmaceuticals** would see significant cuts, though it’s not clear that all the money available in the current year is being used.

### **Office of Long Term Living**

The Home and Community Based Services line, which contains funding for the **Ageing Waiver**, is slated for a 6% cut. The Long Term Care Managed Care line item, the **LIFE program**, is slated for an increase.

Both **Services to Persons with Disabilities** and **Attendant Care** would be decreased under the Governor’s proposed budget. OLTL expects to experience savings from “high cost case reviews” and “decreased utilization,” though there are growing waiting lists for many of these programs.

Rates for **Nursing Homes** and hospitals would be cut and some payments delayed to save funds. Nursing Homes will receive a larger share of Tobacco Settlement Funds.

## **DEPARTMENT OF TRANSPORTATION**

The budget does not address the need for additional funding in the transportation budget. There are no obvious changes to the shared ride program for people with disabilities.

## DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS

Legislation passed in 2010 to create a **Department of Drug and Alcohol Programs**. But the budget for the current year, 2011-12, did not include funds for the new Department. For 2012-13, Governor Corbett proposes that the Department be created by moving current funding from the Department of Health to the new Department. The Governor has nominated attorney Gary Tennis to head the Department.

The **Behavioral Health Services Initiative (BHSI)** is one of the programs put into the HSDF block grant to the counties. Funding proposed to be block granted would be reduced by 20%. See above for a fuller discussion. Funding for **residential drug and alcohol treatment** in a non-hospital setting would also be moved into the block grant.

## DEPARTMENT OF EDUCATION

For the fourth year in a row, the **Special Education** budget would be level funded under the Governor's proposal, but there is some loss of federal ARRA funds. Early Intervention has a proposed 4.1 % increase in state funds which is partially offset by a loss in federal ARRA funds. **Charter Schools for the Deaf and Blind** and **Approved Private Schools** are both proposed for level funding.

## DEPARTMENT OF HEALTH

The **Traumatic Brain Injury (TBI)** program is slated for a 18.9% cut. **Services for Children with Special Needs**, which

includes the **home ventilator program** and the **spina bifida program**, would be reduced by 1% and the **Epilepsy** and **Tourette's Syndrome** programs would be eliminated under the Governor's proposal.

## DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

The **Accessible Housing** program is part of the Keystone Communities line item which was cut 10%.

## DEPARTMENT OF LABOR AND INDUSTRY

The General Government Operations line of the Department of Labor and Industry, which includes funding for the **Office for the Deaf and Hard of Hearing**, would be reduced 3.7% under the Governor's proposal. There would be a 3.5% reduction in state funds for **Vocational Rehabilitation Centers for Independent Living (CILs)** and **Supported Employment** would both be reduced by 5%. **Assistive Technology** is split into two lines, one for the lending library and one for cash loans. Both would receive a 5% reduction under the Governor's proposal.

## **Bills of Interest**

Below we summarize some bills of interest to the disability community. For more information about these or any other state bills, go to: [www.legis.state.pa.us/cfdocs/legis/home/session.cfm](http://www.legis.state.pa.us/cfdocs/legis/home/session.cfm). At the top of the page is a box labeled "Find Legislation By", choose "Bill #", then enter the bill number and click on "Go".

**HB 210.** Introduced by Representative Matthew Baker (R-Bradford). The bill amends the Family Caregiver Support Act to raise the maximum amounts that can be paid under the act. It was signed by the Governor, Dec. 22, 2011 becoming **Act No. 112 of 2011.**

**HB 934.** Introduced by Representative Daryl Metcalfe (R- Butler). The bill would amend the Election Code to, among other things, require **photo identification for voting.** The bill passed the House in June 2011 and passed the Senate on March 7, 2012 (26 to 23). Because the bill was amended in the Senate, it went back to the House for concurrence, where it passed 104 to 88. Governor Corbett signed it on March 14 as Act 18 of 2012.

**HB 1405.** Introduced by Representative Glen Grell (R-Cumberland). The bill amends the **Mental Health Procedures Act**, in criminal justice determinations, providing for incompetence and for procedure. It was voted out of the House Judiciary Committee, given first and second consideration by the full House and referred to the House Appropriations Committee, Feb. 15, 2012.

**HB 2237.** Introduced by Representative Jaret Gibbons (D-Lawrence). The bill would amend the Public Welfare Code to provide for **unlicensed residential habilitation waiver services** and reimbursement. The bill was introduced and referred to House Human Services Committee March 5, 2012.

**SB 1115.** Introduced by Senator Patrick Browne (R-Lehigh). The bill would amend the Public School Code to provide for

distribution of **special education funding** & instruction of eligible students and for special education accountability. The bill was reported as amended from the Senate Education Committee on March 6, 2012.

### **Waiver Renewal**

The Office of Developmental Programs has submitted a waiver renewal application to the Centers for Medicare and Medicaid (CMS) for the two waivers that provide services to individuals with intellectual disabilities, the Consolidated and Person/Family Directed Support waivers. ODP provided stakeholders with an overview of planned changes and, in response to requests for additional detail, a side-by-side chart of changes. For copies of the overview or the chart, contact the PIE office.

### **Regulatory Changes**

The Department of Public Welfare (DPW) issued draft regulations for many of its programs in the February 25 issue of the Pennsylvania Bulletin under the expedited rulemaking allowed by Act 22 of 2011. In Act 22, which passed as part of the 2011-12 state budget, the General Assembly gave DPW the ability to make changes to its regulations without going through the lengthy formal regulation review process.

The text of Act 22 and the draft regulations are on the DPW website at [www.dpw.state.pa.us/publications/budgetinformation/act22-expeditedregulatorychangestotheindex.htm](http://www.dpw.state.pa.us/publications/budgetinformation/act22-expeditedregulatorychangestotheindex.htm). Among other changes, the expedited regulations provide for changes in payment rates and fee schedules in the Office of Developmental Programs and the Office of Long Term Living. Public comment was accepted through March 9, 2012.

## **OVR State Plan**

In the February 18 edition of the Pennsylvania Bulletin the PA Department of Labor and Industry (L&I) Office of Vocational Rehabilitation (OVR) announced that it is seeking public comment on proposed changes to its state plan to be effective in federal fiscal year 2013 (October 1, 2012 through September 30, 2013). OVR is seeking comment on the system of personnel development, the annual estimate of individuals to be served and costs of services, OVR goals and priorities, the order of selection, distribution of supported employment funds, and its innovation and expansion activities. In addition, the OVR Bureau of Blindness and Visual Services (BBVS) will accept comment on the business enterprise program, specialized services for children and adults, and independent living services for older persons who are blind. Written comments may be submitted by mail to the appropriate district office serving the area in which the individual or organization member resides. All written comments must be received by 5 p.m. on Tuesday, April 13, 2012. For more information on the locations of the Public Meetings go to the Pennsylvania Rehabilitation Council website: <http://parac.org/StatePlan2012.html>. For a copy of the proposed FFY 2013 Attachments or other information, please call the contact person for your county.

## **Governor's Cabinet**

The Department of Public Welfare announced on February 27 that, Devon Grant will serve as the new executive director of the Governor's Cabinet and Advisory Committee for People with Disabilities. Grant was an attorney for

Vogt & Resnick in California. He replaces Edward Butler.

## **Rates**

The OLTL provider community continues to press for enactment of an interim funding arrangement for community services that would stabilize the system while new rates are developed. Some providers have indicated that they will be unable to continue to provide services without the interim funding or the swift implementation of sufficient new service rates for direct services and service coordination.

## **Community Integration**

On December 13, 2011, the Office of Long Term Living (OLTL) issued updated guidance to Service Coordinators for the implementation of the new service definition for Community Integration (CI) in their waivers. The new effective date for the changes is March 31, 2012 and all existing service plans are extended until this date. For information about the Community Integration service, contact the Bureau of Individual Supports at 717-783-8412. For information about the Disability Rights Network class action lawsuit filed on December 1, 2011 regarding the reduction in availability of Community Integration, go to [www.drnpa.org](http://www.drnpa.org). For information about family and consumer advocacy on CI, go to <https://sites.google.com/site/backtothedarkagesno>.

## **Participant Directed Services**

The Department of Public Welfare has issued a Request for Application for Financial Management Services (FMS) that would consolidate the current 38 FMS providers to one to three by the end of 2012. This service supports the employer

responsibilities for the participant-directed services in OLTL and ODP programs for about 22,000 people with disabilities and their workers. Disability advocates have expressed concern that the change will mean loss of consumer choice and control. For more information contact the Community First Coalition, through Linda Anthony at [lanthony@drnpa.org](mailto:lanthony@drnpa.org).

### **Office of Developmental Programs**

The Office of Developmental Programs (ODP) has issued seven new Bulletins which can be seen at: <http://services.dpw.state.pa.us/olddpw/bulletinsearch.aspx>.

- **Continuing Participation Allowance for Residential Habilitation Service Providers' Rates** (00-11-06) was issued on November 21, 2011 and was effective on November 15, 2011. The bulletin describes changes to the ODP policy on payment rates to licensed and unlicensed Residential Habilitation Providers in Waiver service locations.

- **Bed Reservation and Permanent Vacancy Payment Policy** (00-11-07) was issued on November 28, 2011, and was effective on November 15, 2011. The bulletin communicates the ODP policies on payment to licensed and unlicensed residential habilitation providers in Waiver service locations.

- **Rate Setting Methodology and MA Program Fee Schedule for ODP waivers and Base-Funded Services – July 1, 2011 to November 14, 2011** (00-11-08 and 00-11-09) was issued on December 29, 2011 and was effective July 1, 2011. The bulletin transmits information on the prospective payment system rate setting methodology for ODP waivers and base-funded services.

- **Rate Setting Methodology and MA Program Fee Schedule for ODP waivers and Base-Funded Services – November 15, 2011 to June 30, 2012** (00-11-10 and 00-11-11) was issued on December 29, 2011 and was effective November 15, 2011. The bulletin transmits information on the prospective payment system rate setting methodology for ODP waivers and base-funded services.

- **Adult Autism Waiver** (00-11-12) was issued on December 29, 2011 and was effective July 1, 2011. The bulletin transmits the FY 2011-2012 Adult Autism Waiver fee schedule rates.

### **Office of Mental Health and Substance Abuse Services**

The Office of Mental Health and Substance Abuse Services (OMHSAS) has issued one new Bulletin which can be seen at: <http://services.dpw.state.pa.us/olddpw/bulletinsearch.aspx>.

- **OMHSAS Guidelines for the Approval of Telepsychiatry** (OMHSAS 11-09) was issued on December 12, 2011 and was effective on January 1, 2012. The bulletin provides guidelines that the Department uses to approve or deny proposed telepsychiatry programs in the Commonwealth.

### **Reapportionment**

On February 3, the Pennsylvania Supreme Court released its redistricting ruling. The Court rejected the redistricting plan submitted by the Legislative Reapportionment Commission (LRC). As of this writing, the election will be based on existing districts which were created in 2001. Information can be found at [www.redistricting.state.pa.us](http://www.redistricting.state.pa.us)

# Legislative Changes

**The following members of the Pennsylvania General Assembly have announced that they will not be seeking reelection in 2012:**

- Representative Scott Hutchinson (R-Venango) (running for state Senate)
- Representative Scott Perry (R-York) (running for US House)
- Representative John Hornaman (D-Erie)
- Representative Camille “Bud” George (D-Clearfield)
- Senator John Pippy (R-Allegheny)
- Representative John Myers (D-Philadelphia)
- Representative Lawrence Curry (D-Montgomery)
- Representative Mario Scavello (R-Monroe) -- running for state Senate
- Representative Dante Santoni (D-Berks)
- Senator Mary Jo White (R-Venango)
- Senator Jane Earll (R-Erie)
- Representative Ron Buxton (D-Dauphin)
- Representative Tom Creighton (R-Lancaster)
- Representative Jennifer Mann (D-Lehigh)
- Representative Curt Schroder (R-Chester)
- Senator Jeff Piccola (R-Dauphin)
- Representative Ed Staback (D-Lackawanna)
- Representative John Evans (R-Erie)
- Representative Scott Boyd (R-Lancaster)



# NATIONAL NEWS

## 2012 Federal Budget

The two appropriations bills to fund the federal government for October 1, 2011 through September 30, 2012 were passed and signed on December 23, 2011. Congress had passed several Continuing Resolutions to keep the government operating until the budget bills were passed. The enacted budget included \$21 billion in cuts. These cuts represent the first round of spending reductions called for in the Budget Control Act of 2011. Also on December 23, Congress passed a third budget-related bill, the Middle Class Tax Relief and Job Creation Act of 2011, that included the Social Security tax cut extension, unemployment benefits extension, and reversal of a scheduled Medicare rate cut.

## 2013 Federal Budget

President Obama released his proposed budget to fund the federal government for fiscal year 2013 in February. It will be affected by the mandatory caps on discretionary spending levels of the Budget Control Act of 2011. That law was passed in August 2011 as a resolution to the debt-ceiling crisis and contains \$1.2 trillion in automatic across-the-board cuts that will occur from 2013 to 2021. The cuts for FY2013 include defense (11%), domestic

programs (7.8%), supportive housing for people with disabilities (10%) and Medicare (2%). The cuts would apply to Medicare providers, but not to Social Security, Medicaid, Medicare beneficiaries, civil and military employee pay, or veterans. The budget proposes level funding for the DD Councils, UCEDDs and P&A.

For a summary of the estimated impact of the law, see the Congressional Budget Office report at <http://cbo.gov/doc.cfm?index=12414>

### CLASS Act

On February 1, the US House of Representatives voted to approve HR 1173, a bill that would repeal the provision of the Affordable Care Act that was designed to provide affordable long-term care insurance, the Community Living Assistance Services and Support (CLASS) Act. The U.S. Department of Health and Human Services Secretary Kathleen Sebelius had suspended the CLASS Act, saying that the program could not be made financially solvent. However, the White House has said it does not support repealing the program.

### Medicaid

The Department of Health and Human Services (HHS) has finalized rules to make the Section 1115 waiver approval process more open and allow advocates to provide input on proposals. To read more information about the rules, go to the CMS website at [www.cms.gov/apps/media/press/factsheet.asp?Counter=4284](http://www.cms.gov/apps/media/press/factsheet.asp?Counter=4284).

# Resources

## Autism Needs Assessment

The Department of Public Welfare released the PA Autism Needs Assessment study, which includes feedback from 3,500 Pennsylvania caregivers and adults with autism. The study shows that training in social skills has been identified as the most common unmet need for both children and adults with autism. In addition, it was found that more than two-thirds of adults with autism are unemployed or underemployed, when in fact these individuals are fully capable of working, but lack the social skills to be able to hold or find employment. An electronic copy of the full report can be found online at [www.pautism.org/asert/report.html](http://www.pautism.org/asert/report.html)

## Aging State Plan

The Department of Aging and Office of Long-Term Living's Executive Summary of State Plan Breakout Sessions, summarizes the input sessions held at the Hershey Lodge on November 2-3, 2011. To view the executive summary, go to [www.portal.state.pa.us/portal/server.pt/document/1211566/executive\\_summary\\_of\\_breakout\\_sessions\\_with\\_state\\_input\\_12\\_9\\_11.pdf](http://www.portal.state.pa.us/portal/server.pt/document/1211566/executive_summary_of_breakout_sessions_with_state_input_12_9_11.pdf). This summary report highlights the central themes of each breakout session and underscores the challenges presented and solutions proposed by the session participants. For suggestions, comments or questions, please send an email to [RA-StatePlanOnAging@state.pa.us](mailto:RA-StatePlanOnAging@state.pa.us).

## Developmental Disabilities Month

March is Developmental Disabilities Awareness Month. The Arc's "Don't Cut Our Lifeline" campaign provides public policy information to help people understand issues in this election cycle. Go to [www.thearc.org/page.aspx?pid=3232](http://www.thearc.org/page.aspx?pid=3232).

## AARP Public Policy Institute Archived WEBINAR

A webinar from the AARP Public Policy Institute, Health Management Associates, and the National Association of States United for Aging and Disabilities to discuss findings from their new report, "On the Verge: The Transformation of Long-Term Services and Supports" is available at [www.healthmanagement.com/news\\_details.asp?newsarticleid=497](http://www.healthmanagement.com/news_details.asp?newsarticleid=497).

Topics include:

[LTSS Transformations in the States: An Overview](#) – Wendy Fox-Grage, AARP Public Policy Institute

[Medicaid LTSS Transformations](#) – Jenna Walls, Health Management Associates

[State Aging and Disability Agency Budgets and Reforms](#) – Martha Roherty, National Association of States United for Aging and Disabilities

# Contact PIE

Contact the PIE Team with any questions, comments, suggestions, or information to share at PIE, c/o The Arc of Pennsylvania, 101 South Second Street, Suite 8, Harrisburg, PA 17101, by email at [pie@thearcpa.org](mailto:pie@thearcpa.org) or by phone at 800-692-7258.

- \* *A Slice of Pie* is available by email and contains hyperlinks for ease of accessing websites and internet documents and resources.
- \* PIE Alerts, PIE Information, and PIE Job Postings are available by email to keep people informed about disability issues between newsletters.
- \* Sign up for *A Slice of Pie* or PIE electronic messages by phone at 800-692-7258 or by emailing [pie@thearcpa.org](mailto:pie@thearcpa.org).
- \* Individuals who already get *A Slice of Pie* and/or PIE electronic messages can make changes at any time by clicking "Update Profile/Email Address" at the end of any PIE email message.
- \* *A Slice of Pie* is available at the Developmental Disabilities Council website [www.paddc.org](http://www.paddc.org), by clicking on "Publications" and "Slice of Pie". Archived editions can also be found there.
- \* *A Slice of Pie* is available in alternate format upon request.
- \* The PIE office will download, copy, and mail information mentioned in *A Slice of Pie* upon request.

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## Change of Information?

We want to be certain that you do not miss an issue of *A Slice of Pie*, so please send name or address changes either by phone 800-692-7258 or by email to [pie@thearcpa.org](mailto:pie@thearcpa.org).  
Thank you.







