

Analysis of Disability Related Items In the 2011-12 Pennsylvania Budget

By the Policy Information Exchange (PIE)
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Governor Corbett introduced his 2011-12 budget proposal in March. To meet his goal of balancing the budget without raising taxes, the Governor proposed cuts to many different programs including basic and higher education and several disability-related programs. On May 11, the House Republicans introduced their version of the state budget as HB 1485. The original House Republican budget cut some disability programs further while restoring some funding.

The final budget was signed on the night of June 30, shortly before the new fiscal year began on July 1. To view the bill (HB 1485 now Act 1A of 2011), go to <http://www.legis.state.pa.us/cfdocs/billinfo/billinfo.cfm?year=2011&ind=0&body=H&type=B&BN=1485>. A spreadsheet which includes funding amounts for 2010-11, the Governor's request and the final 2011-12 budget is available from PIE.

Overall, there's less spending than what the Governor proposed. Some disability programs were cut further, while others received some increase. Many are the same as what the Governor proposed.

Revenues have come in at more than \$500 million above projections, but this budget does not use any of those additional funds. The final budget relies heavily on about \$400 million in savings which the Department of Public Welfare is intended to find by eliminating waste, fraud and abuse in programs. That raises a question about what happens if the savings are not found. One answer to that may lie in HB 960.

HB 960, now **Act 22 of 2011**, which amends the Public Welfare Code, passed as part of the budget process. It gives the Secretary of Public Welfare the power to change rules and regulations on benefits, eligibility, fees/co-pays, rates etc. without legislative or public oversight. This expedited review process is intended to allow DPW to make changes in order to get down to the reduced funding level in the final budget deal. Dental and pharmacy benefits for Medical Assistance recipients over age 21 are singled out for changes. Children whose family income is above 200% of the federal poverty level can be charged co-payments.

PUBLIC WELFARE

Office of Developmental Programs (ODP):

- Intellectual Disability—Intermediate Care Facilities: While there is a 30% increase in state funds (less than the Governor proposed), the loss of federal funds results in a net decrease of less than 1%.
- Base Funds Intellectual Disabilities: There is a net increase of 3.8%.

- Waivers Intellectual Disabilities: The Governor's budget would have cut \$27 million in funding for residential room and board expenses. The final budget restores \$22 million of that \$27 million. The final budget also added a cut of \$13 million for savings to be gained from yet-to-be-identified waste, fraud and abuse. The final budget is a 1.3% increase over 2010-11. The appropriated funds are expected to be sufficient to meet the goals included in the Governor's budget to:
 1. continue current program, meet changing needs, and annualize services for people brought into service during 2010-11.
 2. transfer 7 people from the MH system;
 3. serve 35 people who are living in state hospitals with diagnoses of mental illness and intellectual disabilities; and
 4. bring 50 people out of state centers.
- There is no waiting list initiative.
- The Governor proposed a small increase in state funds for Autism services which, when combined with the loss of federal funds added up to a slight decrease. The final budget includes the same amount (\$13.5 million) of state funding as proposed by the Governor, but combined with the reduction in federal funds, amounts to a 9% cut in total funds. The budget includes the following language, "For services to persons with autism spectrum disorders, including oversight, supportive services and provider training."
- Early Intervention (birth to age 3): The budget increases state funds over 2010-11, but less than the Governor's proposal, Including federal funds, this amounts to a 2% decrease from 2010-11.

Office of Mental Health and Substance Abuse Services (OMHSAS)

- While state funds were slightly increased in the Governor's proposed budget, the loss of federal funds added up to a less than 1% decrease for Mental Health services. The final budget increases state funds by \$21.9 million more than the 2010-11 available funding, but slightly less than the Governor proposed for a final budget which is almost the same as 2010-11.
- Behavioral Health Services is reduced by 10% from 2010-11.

Office of Long Term Living (OLTL)

- State funds for Services to Persons with Disabilities (CSPPPD), which includes the Independence, OBRA and CommCare waivers, increased by \$20 million. However, the decrease in federal funds results in a net decrease of 8%. Funding in the final budget is the same as the Governor's proposal.
- For Attendant Care (which includes both the Attendant Care Waiver and state-only Act 150), both state and federal funds have been decreased, amounting to a 16% reduction. Funding in the final budget is the same as the Governor's proposal.

- In the final budget, both Attendant Care and Services to Persons with Disabilities keep their own separate line items. The Aging waiver and the LIFE program are separated from the Long Term Care line item.
- The Long Term Care line item had included nursing homes, LIFE and the Aging Waiver. The final budget leaves nursing homes in the Long Term Care line item, but separates out the home and community based services. While the overall nursing home/long term care budget seems to be reduced, the General Assembly restored the Governor's proposed 2% rate cut at a cost of \$21.9 million. They did so by delaying a payment to nursing homes which saved approximately \$77 million.
- The Aging Waiver is included in a new line item called "Home and Community Based Services." Combining state, federal and tobacco funds, that line item is increased from 2010-11. The amount available is supposed to be enough to annualize people currently served. They'll also receive an allocation from the Tobacco Fund which doesn't need to be appropriated—approximately \$32.2 million.
- The LIFE program is in a new line item called "Long Term Care—Managed Care" and funded at the Governor's recommended level which is a 25% increase.

DPW Other

- Medical Assistance (MA) Outpatient and MA Capitation are increased 3% from 2010-11 levels. MA Inpatient is increased 19%. MA Transportation is reduced more than 17%.
- The Human Services Development Fund (HSDF) received \$23.5 million in 2010-11. The Governor proposed eliminating it. The final budget restores \$15 million for HSDF.

AGING

- This budget does not attempt to create a new department. Instead, the Office of Long Term Living remains connected to both DPW and Aging with funding included in the DPW budget (see above).

HEALTH

- The Governor's budget included level funding for Drug and Alcohol and no funds for the new Department. The final budget takes \$1 million from Drug and Alcohol program funds and moves it to a line item entitled, "Transition for Department of Drug and Alcohol Programs."
- A number of programs, including New Born Hearing Screening are eliminated. (Same as Governor's proposal.)
- Epilepsy Support Services is partially restored with a \$4,000 cut.
- The line item for Services for Children with Special Needs has been restored. The Governor had proposed putting it into a combined and reduced line item called, "Special Medical Programs." The final budget restores Services for Children with Special Needs to the \$1.5 million available for 2010-11.

COMMUNITY AND ECONOMIC DEVELOPMENT

- Funding for Accessible Housing is combined with funding for New Communities in a new line item called, “Keystone Communities.” In 2009-10, the two line items combined would have equaled \$11,775,000 with \$1,100,000 for Accessible Housing. In 2010-11, the total of \$9,992,000 includes \$1,058,000 for Accessible Housing. The Governor proposed \$12.5 million (an increase) for 2011-12. The final budget includes \$12 million, but the split isn’t indicated.

LABOR AND INDUSTRY

- OVR is level funded. (Same as Governor’s proposal.)
- The Governor proposed funding Supported Employment at the reduced 2010-11 level of \$455,000; the final budget reduces it to \$418,000, a 10% reduction.
- Centers for Independent Living (CILs) funding is reduced to \$2,013,000, an almost 3% reduction.
- Assistive Technology would have been reduced from \$900,000 to \$684,000 under the Governor’s proposal. The final budget reduces it to \$677,000, a nearly 25% reduction compared to 2010-11.

EDUCATION

- There are still cuts to basic education and higher education, just not as dramatic as what the governor proposed.
- Special education is level funded in state funds. (Same as Governor’s proposal.) But factoring in lost federal funds, it’s a 10% decrease.
- Early Intervention (ages 3-5). There is a 1% increase. Funding to continue the program and new funding for additional children is included. (Same as Governor’s proposal.)
- Charter Schools for the Deaf and Blind and Approved Private Schools are level funded. (Same as Governor’s proposal.)
- A \$4.7 million line item of state funding for Intermediate Units is eliminated. (Same as Governor’s proposal.)