

6.1 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/10/2010
 Time: 9:34:18AM

Agency code: **539** Agency name: **Aging and Disability Services, Department of**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
1 Agency Administration							
Category: Across the Board Reductions							
Item Comment: Agency administration supports administrative functions for all DADS programs including executive direction and leadership, legal, hearings of provider appeals, budget management, fiscal accounting and reporting, asset management, public information, internal audit, and program support. A 5 percent reduction in this area would result in the loss of 25 FTEs which will reduce service delivery to client program areas.							
Strategy: 3-1-1 Central Administration							
<u>General Revenue Funds</u>							
758 GR Match For Medicaid	\$0	\$0	\$0	\$685,772	\$685,772	\$1,371,544	
General Revenue Funds Total	\$0	\$0	\$0	\$685,772	\$685,772	\$1,371,544	
Strategy: 3-1-2 Information Technology Program Support							
<u>General Revenue Funds</u>							
758 GR Match For Medicaid	\$0	\$0	\$0	\$844,526	\$844,526	\$1,689,052	
General Revenue Funds Total	\$0	\$0	\$0	\$844,526	\$844,526	\$1,689,052	
Item Total	\$0	\$0	\$0	\$1,530,298	\$1,530,298	\$3,060,596	
FTE Reductions (From FY 2012 and FY 2013 Base Request)				25.0	25.0		
2 HCS Rates							
Category: Programs - Reimbursement and Rate Reductions							
Item Comment: A 3.7 percent rate reduction is offered in addition to a 3.7 percent rate reduction already assumed in the base funding request. This reduction represents the estimated percentage that reimbursement rates exceed allowable costs, based upon current cost report information.							
Strategy: 1-3-2 Home and Community-based Services (HCS)							
<u>General Revenue Funds</u>							
758 GR Match For Medicaid	\$0	\$0	\$0	\$12,604,026	\$12,604,026	\$25,208,052	
General Revenue Funds Total	\$0	\$0	\$0	\$12,604,026	\$12,604,026	\$25,208,052	

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	2012	2013	Biennial Total	2012	2013	Biennial Total	
Item Total	\$0	\$0	\$0	\$12,604,026	\$12,604,026	\$25,208,052	

FTE Reductions (From FY 2012 and FY 2013 Base Request)

3 Non-Medicaid Services

Category: Programs - Service Reductions (Other)

Item Comment: Non-Medicaid Services provide a wide range of home and community-based social and supportive services to older persons and persons with a disability who are not eligible for Medicaid. Services are designed to provide assistance to live independently, including family care, adult foster care, day activity and health services, emergency response, personal attendant services, home-delivered and congregate meals, homemaker services, chore maintenance, personal assistance, transportation, residential repair, health maintenance, health screening, instruction and training, respite, hospice and senior center operations. The reduction of this item would result in 1,350 individuals not being served.

Strategy: 1-4-1 Non-Medicaid Services

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$3,432,102	\$3,432,102	\$6,864,204
General Revenue Funds Total	\$0	\$0	\$0	\$3,432,102	\$3,432,102	\$6,864,204
Item Total	\$0	\$0	\$0	\$3,432,102	\$3,432,102	\$6,864,204

FTE Reductions (From FY 2012 and FY 2013 Base Request)

4 Promoting Independence

Category: Programs - Method Of Finance Swap

Item Comment: This strategy implements the Texas Promoting Independence Plan, developed in response to the US Supreme Court ruling in Olmstead v. Zimring and two Governor's Executive Orders, GWB99-2 and RP13. Program activities include community outreach and awareness and relocation services. Community outreach and awareness is a systematic program of public information developed to target groups who are most likely to be involved in long-term care. Relocation services involve assessments and intense case management to assist individuals in nursing facilities who choose to transition to community-based services and supports. It includes funding for Transition to Living in the Community services for establishing and moving individuals to a community residence.

Strategy: 1-4-3 Promoting Independence through Outreach, Awareness, and Relocation

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$619,339	\$619,339	\$1,238,678
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	2012	2013	Biennial Total	2012	2013	Biennial Total	
General Revenue Funds Total	\$0	\$0	\$0	\$619,339	\$619,339	\$1,238,678	
Item Total	\$0	\$0	\$0	\$619,339	\$619,339	\$1,238,678	

FTE Reductions (From FY 2012 and FY 2013 Base Request)

5 In Home and Family Support

Category: Programs - Service Reductions (Other)

Item Comment: The In-Home and Family Support strategy provides individuals with physical disabilities (without diagnosis of mental disability) the means to purchase the support needed to remain in the community. Direct grant benefits are provided to eligible individuals to purchase special equipment, medical supplies, adaptive aids, and to modify the home or automobile for accessibility and functionality. Up to \$1,200 per certification year is provided in capital expenditure funds, subsidy funds, or a combination of both, including co-payment for the purchase of ongoing services, or the purchase of equipment or architectural modifications. There is a lifetime limit of \$3,600 in capital expenditure funds. The reduction of this item would impact 2,688 individuals receiving services and could result in the provision of less desirable institutional services.

Strategy: 1-4-4 In-Home and Family Support

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$2,494,954	\$2,494,954	\$4,989,908	
General Revenue Funds Total	\$0	\$0	\$0	\$2,494,954	\$2,494,954	\$4,989,908	
Item Total	\$0	\$0	\$0	\$2,494,954	\$2,494,954	\$4,989,908	

FTE Reductions (From FY 2012 and FY 2013 Base Request)

6 MR in Home

Category: Programs - Service Reductions (Other)

Item Comment: The In-Home and Family Support – MR strategy addresses the short-term disability related needs of a rotating group of consumers, although some consumers may require ongoing support. This program funds In-Home and Family Support (IHFS) Services for individuals with Intellectual and Developmental Disabilities. IHFS-MR is a grant program that provides financial assistance to eligible persons and families for the purpose of purchasing items meeting a need that exists solely because of the person's mental disability or co-occurring physical disability. The program directly supports the person living in their natural home, integrates the person into the community, and promotes the person's self-sufficiency. Funds may be used for services such as respite care, specialized therapies, home care, counseling, and training, such as in-home parent training, special equipment, such as therapy equipment and assistive technology, home modifications, transportation, and other items that meet the program's criteria. The reduction of this item would impact 1,530 individuals which may result in services being made available only by less desirable institutional services.

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	2012	2013	Biennial Total	2012	2013	Biennial Total	
Strategy: 1-4-5 Mental Retardation In-Home Services							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$2,860,870	\$2,860,870	\$5,721,740	
General Revenue Funds Total	\$0	\$0	\$0	\$2,860,870	\$2,860,870	\$5,721,740	
Item Total	\$0	\$0	\$0	\$2,860,870	\$2,860,870	\$5,721,740	

FTE Reductions (From FY 2012 and FY 2013 Base Request)

7 Capital Repairs and Renovations

Category: Across the Board Reductions

Item Comment: Funding in this strategy address the agency's infrastructure repair and renovation needs of the State Supported Living Facilities. The vast majority of projects funded and underway are necessary to maintain compliance with Life Safety Code requirements and/or other critical repairs and renovations, including fire sprinkler and alarm systems, emergency generators, roofing, air conditioning, heating, electrical, plumbing, etc. The large number of buildings on state school campuses and the age of many of these buildings necessitate ongoing capital investments to ensure that the buildings are functional, safe, and in compliance with all pertinent standards. Compliance with such standards is mandatory to avoid the loss of federal funding for the state facilities.

Strategy: 1-9-1 Capital Repairs and Renovations

<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$79,645	\$79,645	\$159,290	
General Revenue Funds Total	\$0	\$0	\$0	\$79,645	\$79,645	\$159,290	
Item Total	\$0	\$0	\$0	\$79,645	\$79,645	\$159,290	

FTE Reductions (From FY 2012 and FY 2013 Base Request)

8 Medicaid Institutional Rate Reductions or Change in Eligibility

Category: Programs - Reimbursement and Rate Reductions

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	2012	2013	Biennial Total	2012	2013	Biennial Total	
Item Comment: A 1 percent reduction to rates may make it more difficult for providers to hire and retain staff, which may lead to a reduction in the quality-of-care provided, and could lead to breaks in service. The impact of such a reduction is likely to be inconsistent and dependent on employment, cost of living, and other demographic factors. A number of long-term institutional facilities have indicated that any substantive rate reduction, in an environment of cost increases, would seriously undermine the financial soundness of their business. Changes in eligibility may also be considered.							
Strategy: 1-6-1 Nursing Facility Payments							
<u>General Revenue Funds</u>							
758 GR Match For Medicaid	\$0	\$0	\$0	\$8,351,841	\$8,351,841	\$16,703,682	
General Revenue Funds Total	\$0	\$0	\$0	\$8,351,841	\$8,351,841	\$16,703,682	
Strategy: 1-6-3 Hospice							
<u>General Revenue Funds</u>							
758 GR Match For Medicaid	\$0	\$0	\$0	\$1,057,523	\$1,139,820	\$2,197,343	
General Revenue Funds Total	\$0	\$0	\$0	\$1,057,523	\$1,139,820	\$2,197,343	
Strategy: 1-7-1 Intermed Care Facilities - for Persons w/ MR (ICF/MR)							
<u>General Revenue Funds</u>							
758 GR Match For Medicaid	\$0	\$0	\$0	\$1,232,999	\$1,232,197	\$2,465,196	
General Revenue Funds Total	\$0	\$0	\$0	\$1,232,999	\$1,232,197	\$2,465,196	
Item Total	\$0	\$0	\$0	\$10,642,363	\$10,723,858	\$21,366,221	

FTE Reductions (From FY 2012 and FY 2013 Base Request)

9 Medicaid Institutional Rate Reductions or Change in Eligibility

Category: Programs - Reimbursement and Rate Reductions

Item Comment: An additional 1.04 percent reduction to rates (bringing the total reduction to 2.04 percent) may make it more difficult for providers to hire and retain staff, which may lead to a reduction in the quality-of-care provided, and could lead to breaks in service. The impact of such a reduction is likely to be inconsistent and dependent on employment, cost of living, and other demographic factors. A number of long-term institutional facilities have indicated that any substantive rate reduction, in an environment of cost increases, would seriously undermine the financial soundness of their business. Changes in eligibility may also be considered.

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	2012	2013	Biennial Total	2012	2013	Biennial Total	
Strategy: 1-6-1 Nursing Facility Payments							
<u>General Revenue Funds</u>							
758 GR Match For Medicaid	\$0	\$0	\$0	\$8,621,653	\$8,621,653	\$17,243,306	
General Revenue Funds Total	\$0	\$0	\$0	\$8,621,653	\$8,621,653	\$17,243,306	
Strategy: 1-6-3 Hospice							
<u>General Revenue Funds</u>							
758 GR Match For Medicaid	\$0	\$0	\$0	\$1,091,687	\$1,176,643	\$2,268,330	
General Revenue Funds Total	\$0	\$0	\$0	\$1,091,687	\$1,176,643	\$2,268,330	
Strategy: 1-7-1 Intermed Care Facilities - for Persons w/ MR (ICF/MR)							
<u>General Revenue Funds</u>							
758 GR Match For Medicaid	\$0	\$0	\$0	\$1,272,832	\$1,272,007	\$2,544,839	
General Revenue Funds Total	\$0	\$0	\$0	\$1,272,832	\$1,272,007	\$2,544,839	
Item Total	\$0	\$0	\$0	\$10,986,172	\$11,070,303	\$22,056,475	

FTE Reductions (From FY 2012 and FY 2013 Base Request)

10 Medicaid Comm Entitlement Rate Reductions or Change in Eligibility

Category: Programs - Reimbursement and Rate Reductions

Item Comment: A 1.04 percent reduction to rates may make it more difficult for providers to hire and retain staff, which may lead to a reduction in the quality-of-care provided, and could lead to breaks in service. The impact of such a reduction is likely to be inconsistent and dependent on employment, cost of living, and other demographic factors. A number of community-care providers have indicated that increases in the minimum wage and the attractiveness of other employment options for personal assistants limit the rate decrease that could reasonably be sustained without interruptions to individual services. Changes in eligibility may also be considered.

Strategy: 1-2-1 Primary Home Care

General Revenue Funds

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	2012	2013	Biennial Total	2012	2013	Biennial Total	
758 GR Match For Medicaid	\$0	\$0	\$0	\$2,192,958	\$2,257,621	\$4,450,579	
General Revenue Funds Total	\$0	\$0	\$0	\$2,192,958	\$2,257,621	\$4,450,579	
Strategy: 1-2-2 Community Attendant Services							
<u>General Revenue Funds</u>							
758 GR Match For Medicaid	\$0	\$0	\$0	\$1,727,422	\$1,741,562	\$3,468,984	
General Revenue Funds Total	\$0	\$0	\$0	\$1,727,422	\$1,741,562	\$3,468,984	
Strategy: 1-2-3 Day Activity and Health Services (DAHS)							
<u>General Revenue Funds</u>							
758 GR Match For Medicaid	\$0	\$0	\$0	\$468,428	\$480,551	\$948,979	
General Revenue Funds Total	\$0	\$0	\$0	\$468,428	\$480,551	\$948,979	
Item Total	\$0	\$0	\$0	\$4,388,808	\$4,479,734	\$8,868,542	

FTE Reductions (From FY 2012 and FY 2013 Base Request)

11 MR Community

Category: Programs - Service Reductions (Other)

Item Comment: The MR Community Services strategy provides assistance to each local MR Authority to provide access to publicly funded services for individuals with Intellectual and Developmental Disabilities (IDD). The strategy provides for the determination of eligibility, services, and support for individuals in the IDD priority population who reside in the community, other than services provided through ICFs/MR, and Medicaid waiver programs. These services include service coordination, community support to assist individuals to participate in age-appropriate activities and services; employment services to assist individuals in securing and maintaining employment; day training services to help individuals develop and refine skills needed to live and work in the community; various therapies provided by licensed or certified professionals; and respite services for the individual's primary caregiver. The reduction of this item will result in 2,326 individuals not being served.

Strategy: 1-4-2 Mental Retardation Community Services

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$18,841,834	\$18,841,834	\$37,683,668	
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	2012	2013	Biennial Total	2012	2013	Biennial Total	
General Revenue Funds Total	\$0	\$0	\$0	\$18,841,834	\$18,841,834	\$37,683,668	
Item Total	\$0	\$0	\$0	\$18,841,834	\$18,841,834	\$37,683,668	
FTE Reductions (From FY 2012 and FY 2013 Base Request)							
AGENCY TOTALS							
General Revenue Total				\$68,480,411	\$68,736,963	\$137,217,374	\$136,818,745
GR Dedicated Total							\$398,629
Agency Grand Total	\$0	\$0	\$0	\$68,480,411	\$68,736,963	\$137,217,374	
Difference, Options Total Less Target							
Agency FTE Reductions (From FY 2012 and FY 2013 Base Request)				25.0	25.0		

6.I 10 Percent Biennial Base Reduction Schedule Summary

Biennial 10% General Revenue Reduction Target

\$137.2 mil GR

Agency Code: 539				FY 2012			FY 2013			Total
Rank	Function	Goal/Strategy	% Impact	Dollars	# of individuals not served	# of FTEs reduced	Dollars	# of individuals not served	# of FTEs reduced	
1	Central Administration	C.1.1	5.0%	\$ 685,772		18	\$ 685,772		18	\$ 1,371,544
1	Information Technology Program Support	C.1.2	5.0%	\$ 844,526		7	\$ 844,526		7	\$ 1,689,052
2	HCS rates	A.3.2	3.7%	\$ 12,604,026			\$ 12,604,026			\$ 25,208,052
3	Non-Medicaid Services	A.4.1.	18.4%	\$ 3,432,102	1,350		\$ 3,432,102	1,350		\$ 6,864,203
4	Promoting Independence	A.4.3.	18.4%	\$ 619,339			\$ 619,339			\$ 1,238,677
5	In Home and Family Support	A.4.4.	50.0%	\$ 2,494,954	2,688		\$ 2,494,954	2,688		\$ 4,989,908
6	MR In Home	A.4.5.	50.0%	\$ 2,860,870	1,530		\$ 2,860,870	1,530		\$ 5,721,740
7	Capital Repairs and Renovations	A.9.1.	18.4%	\$ 79,645			\$ 79,645			\$ 159,289
8	Medicaid Institutional Rate Reductions or Change in Eligibility:NF	A.6.1.	1.00%	\$ 8,351,841			\$ 8,351,841			\$ 16,703,682
8	Medicaid Institutional Rate Reductions or Change in Eligibility:Hospice	A.6.3.	1.00%	\$ 1,057,523			\$ 1,139,820			\$ 2,197,343
8	Medicaid Institutional Rate Reductions or Change in Eligibility:ICF/MR	A.7.1	1.00%	\$ 1,232,999			\$ 1,232,197			\$ 2,465,196
9	Medicaid Institutional Rate Reductions or Change in Eligibility:NF	A.6.1.	1.04%	\$ 8,621,656			\$ 8,621,656			\$ 17,243,312
9	Medicaid Institutional Rate Reductions or Change in Eligibility:Hospice	A.6.3.	1.04%	\$ 1,091,687			\$ 1,176,643			\$ 2,268,330
9	Medicaid Institutional Rate Reductions or Change in Eligibility:ICF/MR	A.7.1	1.04%	\$ 1,272,832			\$ 1,272,007			\$ 2,544,839
10	Medicaid Community Entitlement or Change in Eligibility:PHC	A.2.1	1.04%	\$ 2,192,958			\$ 2,257,621			\$ 4,450,579
10	Medicaid Community Entitlement or Change in Eligibility:CAS	A.2.2	1.04%	\$ 1,727,422			\$ 1,741,562			\$ 3,468,984
10	Medicaid Community Entitlement or Change in Eligibility:DAHS	A.2.3	1.04%	\$ 468,428			\$ 480,551			\$ 948,979
11	MR Community	A.4.2.	18.4%	\$ 18,841,834	2,326		\$ 18,841,834	2,326		\$ 37,683,668
Total 10% Proposed Reduction				\$ 68,480,413	7,894	25	\$ 68,736,965	7,894	25	\$ 137,217,377