

**HB 5100 Unspecified Reductions**  
**Agency: Department of Human Services**  
**Appropriation: Senior and Disabled Services (SDSD)**

11/14/02 Revision

Program Description by Appropriation	Impact of reduction	Date Implemented	2001-03 Fiscal Impact					2003-05 Fiscal Impact						
			General Fund	Lott-ery Funds	Other Funds	Federal Funds	Total Funds	FTE	General Fund	Lott-ery Funds	Other Funds	Federal Funds	Total Funds	FTE
<b>Across-the-Board Reductions (\$88 Million Target)</b>														
Central administrative staff reductions			(12,191)		(10,352)	(40,597)	(63,140)	(0.63)						
Eliminate General F for Retired Senior Volunteer Programund (RSVP). The program coordinates and provides 4,500 volunteers for such programs as social services for seniors and people with disabilities, academic tutoring and mentoring to people in schools.  The total 2001-03 RSVP budget is \$264,710. During the 1999-2001 biennium, the local RSVPs provided 4,500 volunteers, who were involved in projects reaching more than 50,000 children and seniors and providing more than 350,000 hours of volunteer services.  Implementation date is February 2003.	15 local RSVP projects are impacted by the cut.  RSVP projects integrate with social-service and public-safety agencies and schools in local communities to provide a variety of volunteer services, including social services to seniors and people with disabilities, academic tutoring and mentoring to young people in public schools and community colleges, and community policing and senior crime-prevention programs.  This cut in funding will negatively impact the local RSVP's ability to continue the local programs and services they provide.	2/1/03	(58,125)				(58,125)		(275,034)				(275,034)	
Eliminate inflationary rate increase for nursing facilities for 2001-2003. Earliest implementation date is February 1, 2003.  Approximately 5,400 clients and 138 nursing facilities with Medicaid contracts are impacted. The average daily decrease is \$3.26 per client.	Facilities may be forced to curtail expenses, since this will be a real decrease in revenues received. The largest part of nursing facility expense is associated with wages and benefits for direct-C46care staff.	2/1/03	(827,682)			(1,249,833)	(2,077,515)		(14,989,648)			(22,168,629)	(37,158,277)	

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<p>Reduce the average monthly assisted living rates by February 1, 2003.</p> <p>Approximately 3,200 of the 3,450 clients in assisted living facilities (ALF) would be impacted and it is expected all 163 ALF providers that participate in Medicaid would be affected.</p>	<p>At this payment level, 21 of the 43 assisted living facilities financed by Oregon Housing and Community Services likely will move into technical default.</p> <p>Many of these are located in rural parts of the state and may be the only long-term care resource in the community. Urban providers may choose to limit Medicaid clients.</p> <p>If facilities were forced to close due to default, residents (both Medicaid and private pay) may have to seek alternatives outside of their local communities. Rural facilities may also start to close since they generally have a higher number of Medicaid residents than urban facilities, and the impact of a rate reduction of this magnitude will be felt more quickly.</p>	2/1/03	(2,200,865)			(3,323,393)	(5,524,258)		(9,619,348)			(14,525,559)	(24,144,907)	
<p>Eliminate the balance of Oregon Project Independence (OPI) for the remainder of the biennium. OPI is a state-funded program providing long-term care services to low-income people age 60 and older who are not receiving Medicaid services.</p> <p>The program's original intent was to keep seniors in their own homes instead of an institutional setting. Approximately 5% of the clients will become eligible for Medicaid. Effective February 2003.</p>	<p>In-home services will be eliminated to approximately 1,800 clients currently receiving OPI. These individuals will have to rely upon their own resources and some may not be able to remain at home and will need to "spend down" their resources to gain Medicaid eligibility.</p> <p>Many OPI providers are low-income home care workers. Programs are administered by local AAAs. Increase in Medicaid caseload will require an increase in Medicaid eligibility staff.</p>	2/1/03	(1,511,252)			209,695	(1,301,557)	0.26	(7,353,606)			1,231,766	(6,121,840)	1.25

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Eliminate General Assistance Program for approximately 2,700 clients with a long-term disability. This program provides cash grants to individuals who are unable to work because of long-term disability. Implementation date is February 2003.	Increased acute-care emergency room visits, and increased demand for city and county services.	2/1/03	(2,588,668)			(116,484)	(2,705,152)	(2.97)	(18,950,051)		(6,252,326)	(3,422,901)	(28,625,278)	(25.69)
Eliminate Medicaid Long-Term Care for clients receiving in-home hourly and 24 hour care services in survival priority levels 5-17. Cases in these priority levels need substantial assistance in eating, mobility, and other activities of daily living. Many in levels 5-10 also have substantial physical or behavioral health needs. Many of these clients need 24-hour care services. Implementation date is February 2003.	Approximately 2,300 substitute-home clients, 8,400 in-home clients, and 650 nursing-facility clients will be affected. Approximately, 40-60% will have their conditions worsen and return to services over the five remaining months of the biennium.  Of the remaining balance of clients, 66% will return to state personal care services. The reduction figure is the net after the cost of people who return to services.  Transfer AAA's will have a staffing reduction (15.94 FTE).	2/1/03	(14,982,955)		(946,348)	(20,877,290)	(36,806,593)	(12.83)	(60,691,740)		(4,424,886)	(86,576,587)	(151,693,213)	(23.10)
<b>Subtotal</b>			(22,181,738)	-	(956,700)	(25,397,902)	(48,536,340)	(16.17)	(111,879,427)	-	(10,677,212)	(125,461,910)	(248,018,549)	(47.54)

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