

Oregon Department of Human Services

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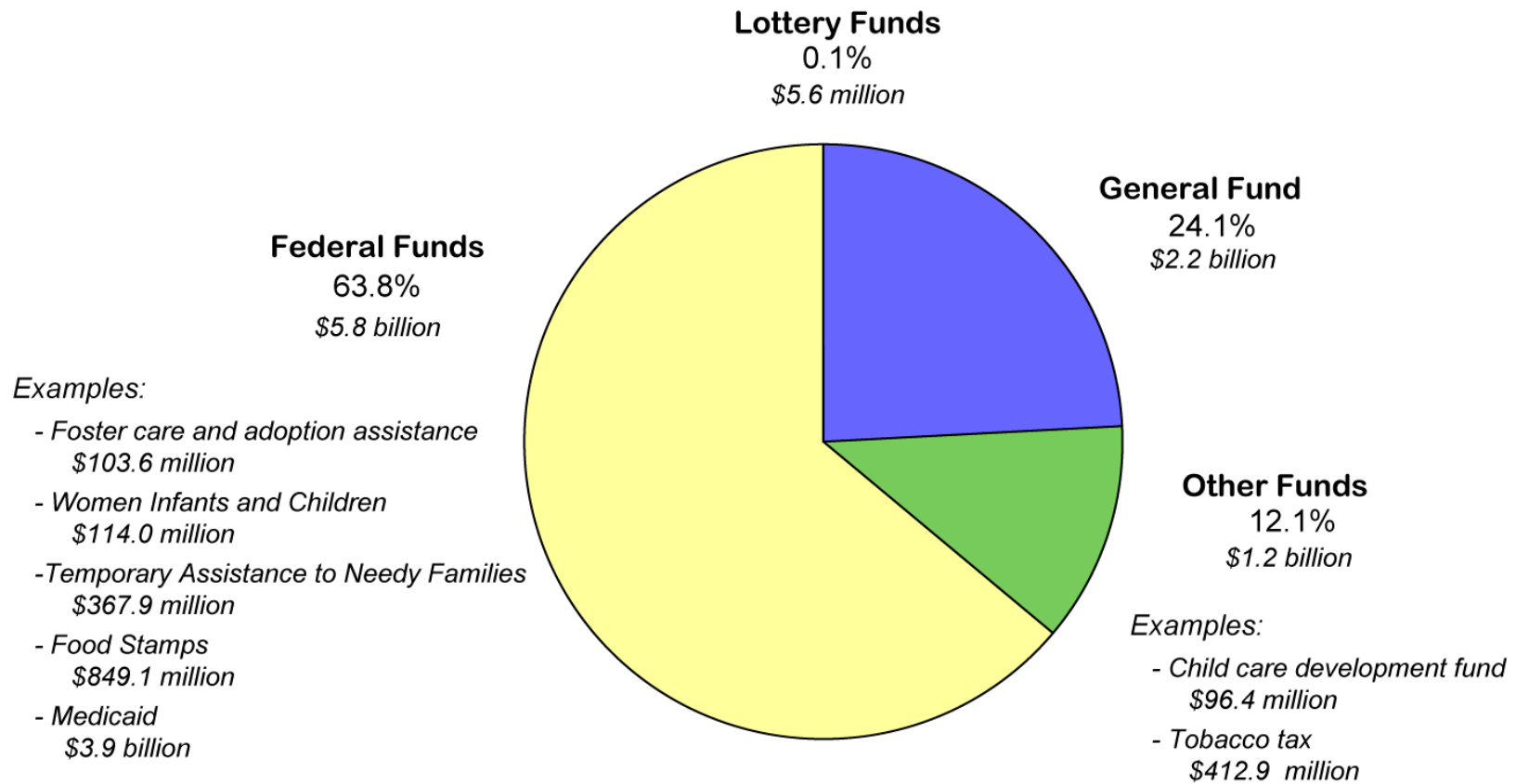
Oregon Department of Human Services

Development of the proposed
2005-07 Agency Request Budget

July/August 2004

Major DHS Revenue Sources 2003-05

\$9,223,570,837 Total Funds

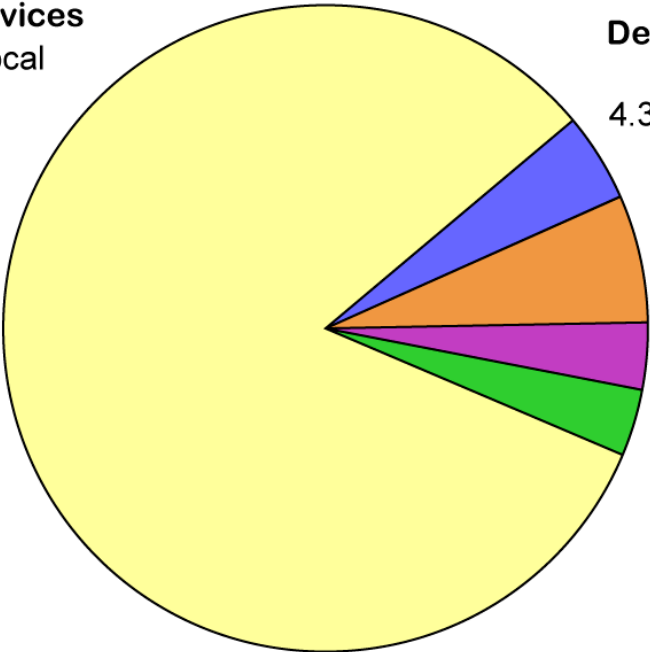


DHS Total Funds Expenditures by Area 2003-05

\$9,223,570,837 Total Funds

Client Benefits & Services
(Funds directly to local communities)
82.6%
\$7.6 billion

Includes: Payments to clients, food stamps, provider payments, Oregon Health Plan, child support payments, county financial assistance agreements



Dept-wide Support Services
4.3% \$396.6 million

Includes: administrative services, audits, budget, information technology, human resources

Field Services
6.5% \$599.5 million

Includes: caseworkers and management in the field.

State Operated Services
3.3% \$304.4 million

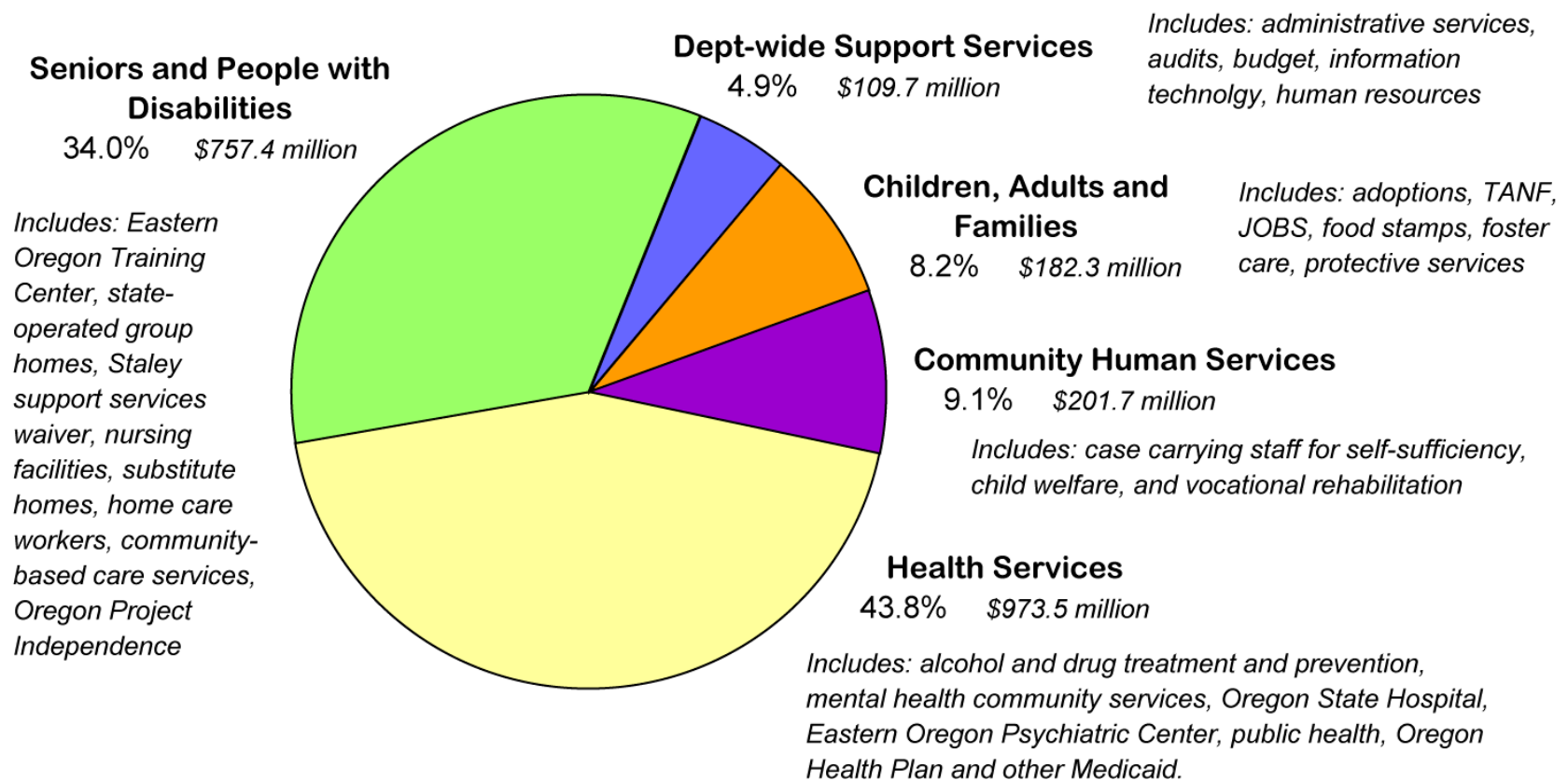
Includes: Oregon State Hospital, Eastern Oregon Training Center.

Population Based Services
3.3% \$304.4 million

Includes: Public Health

DHS General Fund Budget by Cluster 2003-05

\$2,224,599,205 General Fund



DHS 2005-07 Budget

Agency request

DHS submits budget request to the Governor

-- By September 1, 2004

Governor's Recommended Budget

Governor submits statewide budget to Legislature

-- By December 1, 2004

Legislatively Adopted Budget

-- Adopted by approximately July 1, 2005

What drives the department's budget request?

Primary factors

- Population
- Economy
- Social problems
- Policy decisions

Examples

Aging, Disability
Unemployment, Poverty
Alcohol and Drug Abuse
Health Plan

Secondary factors

- Inflation
- Lawsuit settlements
- Maintenance of effort

What role does public input play?

- DHS relies on over 100 advisory groups (more than 30 required by state statute)
- DHS recently conducted public meetings in May 2004 to receive feedback on how to improve programs and services.
- Input helps guide the development of Policy Packages and Reduction Options.

Proposed Essential Budget Level

\$10.2 billion for 2005-07

Maintains current 2003-05 service levels

Programs and services	\$ 9.8 billion
Client Benefits & Services	\$ 8.5 billion
Field Services	\$ 0.6 billion
State-Operated Facilities	\$ 0.3 billion
Population-Based Services	\$ 0.4 billion

DHS Wide Support Services (DWSS) \$ 0.4 billion

(Includes: Administrative Services, Audit, Budget, Human Resources, Information Technology)

What principles guided development of policy packages?

- Improving programs that benefit clients and communities
- Protecting vulnerable populations (seniors, children, adults with disabilities)
- Delivering community-based prevention and treatment services in mental health, addiction and public health

What principles guided development of policy packages?

- Increasing alternatives to institutionalization and hospitalization
- Increasing employment and employment supports for clients
- Strengthening state and local infrastructure, performance and accountability (technology, forecasting, security, staffing)
- Leveraging revenue

Policy Option Packages (POPs) as ranked by DHS

(**Total Funds** / **General Funds**)

1. Funds projected increased caseloads and associated staffing for self-sufficiency programs.
\$21 million / \$21 million
2. Funds projected increased caseloads and associated staffing for child welfare programs.
\$11.3 million / \$6.8 million
3. Provides limited benefit package for approximately 24,000 Oregon Health Plan Standard clients using provider tax funds.
\$482.6 million / \$0

POPs as ranked by DHS

(**Total Funds** / **General Funds**)

4. Funds Attorney General representation for child welfare caseworkers in court hearings.

\$8.6 million / \$5.3 million

5. Improves Adult Protective Services staffing.

\$7 million / \$4.8 million

6. Restores outpatient alcohol and drug treatment funding.

\$3.2 million / \$3.2 million

POPs as ranked by DHS

(**Total Funds** / **General Funds**)

7. Expands community-based children's mental health and addiction services.

\$20.7 million / \$16.5 million

8. Eliminates Medicaid-equivalent prescription drug coverage for dual Medicare/Medicaid eligibles per Federal Medicare Modernization Act.

Cost Avoidance / Cost Estimate Pending

9. Implements Federal Medicare Modernization Act regarding drug benefits and increases staff for Seniors and People with Disabilities (SPD) for eligibility assessments.

Cost Estimate Pending

POPs as ranked by DHS

(**Total Funds** / **General Funds**)

10. Implements the federally mandated technology requirements for child welfare case management.

\$15.2 million / **\$2.0 million**

11. Increases county-based local capacity in developmental disability, public health, and community mental health services.

\$16.7 million / **\$13.5 million**

12. Increases subsidy paid to licensed or registered child care providers.

\$11.3 million / **\$11.1 million**

POPs as ranked by DHS

(**Total Funds** / **General Funds**)

13. Improves DHS' capacity to forecast critical client caseloads.

\$1.1 million / \$.5 million

14. Increases the level of support to community based care providers for Medicaid clients who are aging or have physical disabilities.

\$14.3 million / \$5.7 million

15. Enhances administrative funding for Area Agencies on Aging to maintain local services.

\$9.2 million / \$4.6 million

POPs as ranked by DHS

(**Total Funds** / **General Funds**)

16. Decreases the amount of parent co-pay for Employment Related Day Care services and increases income limit for these parents to 185% of Federal Poverty Level.
\$7.0 million / \$7.0 million
17. Establishes permanent positions in Overpayment Collections to enhance recovery.
\$1.4 million / (\$2.6 million)
18. Increases the TANF family grant payment by approximately \$14 per month.
\$11.7 million / \$11.9 million

POPs as ranked by DHS

(**Total Funds** / **General Funds**)

19. Improves array of evidence-based services for adults with serious mental illness, reduces hospitalizations.

\$9.9 million / **\$9.5 million**

20. Improves identification of child and adolescent health risk factors by expanding access to care in school-based centers, fatality evaluations and conducting a related survey.

\$1.6 million / **\$1.8 million**

POPs as ranked by DHS

(**Total Funds** / **General Funds**)

21. Completes federally required implementation of the HIPAA Security Rule.
\$4.6 million / \$2.3 million
22. Updates technology to improve the operation of the state's food stamp system and reduce errors.
\$15.0 million / \$1.9 million
23. Increases staff for Presumptive Medicaid Disability Determination.
\$1.1 million / \$.6 million

POPs as ranked by DHS

(**Total Funds** / **General Funds**)

24. Expends Tobacco Use Reduction Act Funds for Tobacco Prevention and Education Programs (TPEP). Funded through Tobacco Tax.
\$10 million / \$0
25. Provides moving and lease costs associated with the state's new Public Health Lab.
\$.9 million / \$.4 million
26. Increases case management staff for in-home clients in order to fully implement the Home Care Worker contract.
\$3.6 million / \$1.7 million

POPs as ranked by DHS

(**Total Funds** / **General Funds**)

27. Improves State's Medicaid Quality Control Process as required by federal government.

\$.9 million / **\$.5 million**

28. Enhances medical assistance outreach to children who are eligible for the Children's Health Insurance Program and Medicaid.

\$93.9 million / **\$37.1 million**

29. Expands Children's Health Insurance Program by increasing eligibility from 185% up to 200% of the Federal Poverty Level.

\$9.5 million / **\$3.0 million**

POPs as ranked by DHS

(**Total Funds** / **General Funds**)

30. Increases staffing for food stamps in Seniors and People with Disabilities (SPD).

\$5.0 million / \$2.4 million

31. Increases community mental health resources for seniors to prevent institutionalization.

\$3.8 million / \$1.5 million

32. Requests permanent positions in Forms and Documents Office to increase efficiency in provider payments and client response.

\$1.0 million / \$.7 million

POPs as ranked by DHS

(**Total Funds** / **General Funds**)

33. Improves employer services in the Office of Vocational Rehabilitation Services to increase client placements.

\$.4 million / \$.1 million

34. Creates master plan for Oregon State Hospital's campuses for future consideration of improvements.

\$.4 million / \$0

POPs as ranked by DHS

(**Total Funds** / **General Funds**)

35. Replaces computer systems to support community mental health, addictions and the state hospital.

\$3.2 million / \$.8 million

36. Increases number of annual tobacco retailer inspections for compliance with laws.

\$.5 million / \$.5 million

POPs as ranked by DHS

(**Total Funds** / **General Funds**)

37. Fee increases for statewide immunization registry, vital records, drinking water certification and other related public health issues.

\$1.0 million / \$0

38. Increases staff for Office of Vocational Rehabilitation to improve service levels.

\$3.3 million / \$.7 million

POPs as ranked by DHS

(**Total Funds** / **General Funds**)

39. Adds positions to Oregon State Hospital to reduce the need for overtime, resulting in a net cost savings.
Cost Savings: (\$.8 million) / (\$.6 million)
40. Replaces outdated cook-chill equipment for food service needs at Oregon State Hospital.
\$.8 million / \$.8 million

2005-07 DHS Reduction Options

- State agencies are required by state statute to propose possible reductions.
- These reductions are not part of the DHS budget request.
- DHS is required to provide the Governor and Legislature with its priorities should cuts be necessary.
- DHS is required to submit a 10% reduction list for all fund types (GF, LF, OF, FF). Agencies with General Funds and Lottery Funds also are required to have an additional 10% list prepared for these fund types.

2005-07 State Funds Reduction Target

10% Reduction

General Fund: \$280.3 million

Lottery Funds: \$0.6 million

Other Funds: \$103.7 million

Examples of DHS Reduction Options

Health Services:

- Restores 10 cent cigarette tax
- Reduces Office of Multicultural Health
- Reduces state hospital beds, wards
- Reduces programs for problem gambling
- Reduces Alcohol and Drug Prevention Helpline services
- Eliminates Oregon Health Plan services for some Seniors and People with Disabilities clients
- Reduces communicable disease testing
- Reduces county public health support

Examples of DHS Reduction Options

Children, Adults, and Families:

- Reduces Oregon Food Stamp Employment & Training Program
- Eliminates use of JOBS support service payments
- Eliminates inflation increases, cuts program and field administrative costs
- Reduces prevention services for community safety net, abstinence education
- Reduces services and supplies budget in Vocational Rehabilitation

Examples of DHS Reduction Options

Seniors & People with Disabilities:

- Reduces nursing facility rates
- Eliminates part of Oregon Project Independence
- Eliminates spousal pay program funding
- Eliminates retired senior volunteer program
- Discontinues health insurance and workers comp for home care workers
- Eliminates long-term care services for several priority levels
- Reduces community-based care rates

Examples of DHS Reduction Options

Department-Wide Support Services:

- Reduces Attorney General funding expenses
- Reduces funding for staff in facilities
- Reduces services and supplies budget
- Reduces computer equipment expenditures
- Closes 7 small buildings
- Reduces staffing and services in Finance & Policy Analysis, Human Resources
- Reduces training for information technology employees

Next Steps

Provide us feedback on the proposed
2005-07 policy packages and
reduction options.

Copies of these proposals are available
here or on our website at:

<http://www.dhs.state.or.us/aboutdhs/budget>

Next Steps

Your input is important to us and how we do our work.

Working together, we will continue to shape DHS and how it delivers and improves services.

Thank you

Questions or comments?

You can email your
questions or comments to

dhs.budget-input@state.or.us