

Legislative GRB 10% Reduction Options List

Excludes Non-Limited Funds

GRB Total	2,429,486,799	7,804,844		1,160,374,908	4,982,999,839	8,580,666,390
10% Targets	242,832,348	780,484		116,037,491	498,299,984	857,950,307
Total Listed Below	(242,832,348)	(780,484)	-	(116,037,491)	(504,514,106)	(864,164,428)
(exceed)/short	0	0	-	0	(6,214,122)	(6,214,121)

Dept Priority	Cluster	Short Description	Stat. Change Required? (Y/N)	Impl. date	General Fund	Lottery Funds	Tobacco Tax	Other Funds	Federal Funds	Total Funds	Pos.	FTE
1	AS	Reduce Professional Services. Will result in reduced ability to hire outside contractors and consultants to assist with department-wide initiatives related to administrative efficiencies.	No	07/01/05	(87,416)				(87,416)	(174,832)		
2	HS-OMAP	MCO capitation at 72% of cost (from GRB 90%) for DRG hospital component (21 months)	No	10/01/05	(31,098,881)				(48,224,442)	(79,323,323)		
3	FPA	Reduction of S&S expense budget in Finance & Policy Analysis - includes Professional Services, Travel, and Office Supplies.	No	07/01/05	(66,733)				(66,733)	(133,466)		
4	AS- Facilities	Close 3 medium buildings (includes maintenance savings): The closure of buildings will potentially impact the accessibility and availability of services to DHS clients. In most cases, leases will need to be terminated prematurely which could lead to potential legal disputes.	No	12/01/05	(799,476)				(799,476)	(1,598,952)		
5	AS- Facilities	Close 4 small buildings (includes maintenance savings): The closure of buildings will potentially impact the accessibility and availability of services to DHS clients. In most cases, leases will need to be terminated prematurely which could lead to legal disputes.	No	12/01/05	(384,728)				(384,728)	(769,455)		
6	AS-Financial Services /OCP/ Facilities/HR	Reduce Service and Supply: Resources for staff training, office supplies, travel and office furniture will be reduced and will result in reduction of service to all DHS Clusters	No	07/01/05	(248,681)				(248,681)	(497,362)		
7	CAF	Discontinue Student Daycare program This would eliminate daycare services for approximately 100 parents per month in post-secondary education and limit their ability to pursue a college degree and improved employment opportunities.	No	07/01/05	(1,000,000)					(1,000,000)	-	-
8	SPD	Reduce nursing facility rates by 5%. Nursing facility rates on July 1, 2005 are anticipated to be about \$157 per day. Approximately \$46 of that payment is funded by the nursing facility assessment. This action would roll rates back to about \$149 per day.	Yes	10/01/05	(6,680,046)	-	-		(10,720,438)	(17,400,484)	-	-
9	SPD	Reduce all Community Care rates (developmentally disabled) rates by 3%. In general, facilities have not received a cost-of-living increase since 2001. Actual rate reduction, coupled with 3 years of flat funding, will likely result in some business closures, and loss of access for SPD clients. In addition, more local authorities which facilitate client access to provider services may choose to no longer provide services for DD clients, as 2 counties have already done.	No	10/01/05	(6,343,153)	-	-	-	(9,425,378)	(15,768,531)	-	-

Dept Priority	Cluster	Short Description	Stat. Change Required? (Y/N)	Impl. date	General Fund	Lottery Funds	Tobacco Tax	Other Funds	Federal Funds	Total Funds	Pos.	FTE
10	HS-OMHAS	Close one Adolescent ward at the Oregon State Hospital (OSH). This action would eliminate 23 beds for 14 to 18 year old youth. This action would eliminate the entire adolescent program at OSH.	No	07/01/05	(3,754,667)			(115,785)	(2,938,155)	(6,808,607)	(50)	(50.00)
11	SPD	Reduce licensed community facility rates (aged and physically disabled) by 2.5% from current level. In general, facilities have not received a cost-of-living increase since 2001. Actual rate reduction, coupled with 3 years of flat funding, will likely result in some business closures, and loss of access for SPD clients.	No	10/01/05	(2,655,639)	-	-	-	(4,261,887)	(6,917,526)	-	-
12	HS-OMAP	Leverage Reduction. Reduce leveraged Other Fund Expenditures by 58%. This package reduces expenditures in programs supported by Other Funds by 58%. These programs include the Family Health Insurance Assistance Program (FHIAP), the School-Based Health Services Program (SBHS), funds to the Oregon Health Sciences University, and the Department of Education.	No	07/01/05	-	-	-	(64,354,764)	(100,742,116)	(165,096,880)	-	-
13	SPD	Reduce Other Funds Associated With AAA Local Match	No	10/01/05	-	-	-	(8,798,972)	(10,715,576)	(19,514,548)		
14	SPD	Discontinue health insurance and workers comp. for home care workers Discontinuation requires approval as part of the 2005-2007 bargaining agreement.	No	10/01/05	(25,667,813)	-	-	-	(41,192,862)	(66,860,675)	-	-
15	HS-OMAP/ CAF	Reduce Poverty Level Medical Adults, Poverty Level Medical Children & Citizen/Alien-Waived Emergency Medical from 185% to 133% of Federal Poverty Level (FPL) This package would reduce the eligibility level for pregnant women and newborns from 185% of the Federal Poverty Level (FPL) to 133% of the FPL. This correspondingly reduces Citizen/Alien-Waived Emergency Medical coverage for pregnant women with incomes between 133% and 185% of the FPL. (CAF will have administrative savings).	Yes	07/01/06	(3,815,487)	-	-	-	(5,935,716)	(9,751,203)	-	-
16	CAF	Reduce Supportive Remedial Daycare by 10% This action limits the access to funds for services to enhance the child's development and increases the need for placement of children into care.	Yes	07/01/05	(365,507)			(5,822)		(371,329)		
17	SPD	Reduce Other Funds associated with DD Local Match Projects	No	10/01/05	-			(4,971,539)	-	(4,971,539)	-	-
18	AS-Facilities	Close 1 large building (includes maintenance savings): The closure of buildings will potentially impact the accessibility and availability of services to DHS clients. In most cases, leases will need to be terminated prematurely which could lead to legal disputes.	No	07/01/05	(333,562)				(333,562)	(667,124)		

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19	FPA	Eliminate one position in Finance and Policy Analysis. A reduction in this area will reduce Financial and Policy analysis services and will result in delays in completion of work and increased risk of error.	No	07/01/05	(68,600)				(68,600)	(137,200)	(1)	(1.00)
20	CAF	CW-Reduce Special Rates Foster Care by additional 5% Rates paid to providers would be reduced. This would create a significant impact to the working relationship with foster parents. This will be the third reduction or receding of a rate increase to this partnership in 3 years. This impact will increase the difficulty in finding placements for children, some of which may remain in Residential Treatment programs longer and increase the stability of foster care placements impeding our progress with Federal Outcomes. It will increase the already significant challenges to recruiting and retaining foster parents. This impact may also result in litigation efforts toward an equitable rate reimbursement system.	No	07/01/05	(585,595)			(166,778)	(1,176,789)	(1,929,162)		
21	CAF	Reduce Statewide Residential Treatment by 10% Includes Residential Treatment, Target Children and Special Contracts. Hourly rates paid to providers would be reduced.	No	07/01/05	(1,518,234)			(272,468)	(2,825,592)	(4,616,294)	-	-
22	HS- OHMAS	Reduce Governor's Recommended Budget for problem gambling services by 10%. This action will eliminate problem gambling treatment enhanced services, and reduce services for gambling prevention.	Yes	07/01/05	-	(780,484)		-	-	(780,484)	-	-
23	CAF	Eliminate Family Group Homes. This action would likely increase the Regular Foster Care and Special Rates Foster Care population, but that impact is not included in this pricing. The majority of these children have behavioral needs and require a higher, more expensive level of care.	No	07/01/05	(404,735)			(171,225)	(1,241,358)	(1,817,318)	-	-
24	HS- OHMAS	Reduce A&D Prevention Helpline Services This action eliminates the Alcohol and Drug Helpline and Hopeline. The Helpline serves statewide residents seeking assistance with substance abuse problems. The Helpline currently receives an estimated 11,000 calls annually. Hopeline, a suicide hotline, was added in July 2003.	No	07/01/05	(296,898)	-		-	-	(296,898)	-	-
25	HS- OHMAS	Close all beds at Eastern Oregon Psychiatric Center (EOPC) There would be no acute psychiatric treatment capacity in Eastern Oregon. Counties would transport acutely ill patients hundreds of miles either to Portland or to another state. Adults in crisis would appear in local rural hospital emergency rooms which have no capacity to treat these patients.	No	10/01/05	(9,709,597)	-		(2,709,172)	(1,636,146)	(14,054,915)	-	(101.10)

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26	CAF	Eliminate remaining System of Care Flex Funds \$3.1 million GF. With the reduction of SOC, some children could be denied needed services, resulting in a potential for increased length of stay in Foster Care of 29 additional children per month. There is also a field staff savings of approximately \$1.7 million GF associated with the SOC reduction.	No	07/01/05	(4,867,618)			(290,195)	(2,438,652)	(7,596,465)	(22)	(25.53)
27	CAF	Reduce Substitute Care programs by 20% Programs include, Native American Relative Foster Care and Subsidized Guardianship. Rates paid to providers would be reduced. This reduction will impact the state relationship with Tribal communities by affecting foster parents who already have limited supports and resources from the state in caring for children. This will impact the Federal Outcomes of Length of Stay in foster care measurement.	No	07/01/05	(444,003)			(85,858)	(382,853)	(912,714)		
28	HS- OHMAS	Alcohol and Drug Outpatient Reduction This reduction eliminates Alcohol and Drug outpatient treatment for approximately 4,135 persons in the 2005-07 biennium. In addition, all remaining financing for treatment enhancements for high risk youth and family populations will be eliminated. The reductions will severely decrease community mental health program services in rural areas.	No	07/01/05	(1,691,070)	-		-	-	(1,691,070)	-	-
29	SPD	Eliminate Staley Re-Settlement Agreement funding Defer settlement implementation. Eliminates all non-24-hour care consolidated under the Staley Re-Settlement Agreement, for children and adults with developmental disabilities beginning October 1, 2005. A total of 6,157 people will lose services, 5,165 of whom are already enrolled in services and an additional 992 people scheduled to begin receiving services under the Re-Settlement agreement. Nine regional brokerage programs established to provide services will close their doors. DHS would be back in court for breach of the Re-Settlement and would likely have to provide 24-hour Comprehensive Services to all clients which at the last estimate could cost about \$300 million GF for the first biennium.	No	10/01/05	(31,356,755)	-	-	(1,500,000)	(23,475,717)	(56,332,472)	(5)	(4.40)
30	HS-OMAP	Eliminate Staley Settlement Agreement - SPD's Deferral of settlement implementation would create additional savings in OMAP by eliminating OHP medical assistance for 1,392 clients.	No	10/01/05	(8,211,067)	-	-	(635,461)	(13,848,516)	(22,695,044)	-	-
31	HS-OMAP/ CAF	Eliminate outpatient Mental Health and Chemical Dependency Services for Adults on the Oregon Health Plan This reduction would remove outpatient mental health and chemical dependency coverage for adults in the OHP Plus benefit package. Includes related impact in CAF.	Yes	07/01/06	(12,425,132)	-	-	200,074	(25,066,687)	(37,291,745)	60	28.29

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32	AS- Financial Services, Office of Contracts &Procurem ent, and Human Resources	Reduction of four administrative positions: Reduction of these positions will reduce support services in the areas of Financial Services, Contracts and Procurement, and Human Resources. This will result in delays in processing financial reports, payments, contract preparation and review, personnel and recruitment functions. Delays and reduced support affect response time for information and increase risk for error.	No	07/01/05	(213,478)				(213,478)	(426,956)	(4)	(4.00)
33	HS-PH- OSPHL	Reduce the number of disorders for which Oregon newborns are tested at birth If undetected, these disorders can cause mental retardation and death.	No	07/01/05				(1,007,938)		(1,007,938)		
34	CAF	Increase the co-pay by \$18 for all families on the program and limit Employment Related Day Care to families leaving TANF effective March 2006. This action will increase the cost of child care for families who access program benefits and deny access to program benefits for approximately 300 families per month for an additional 3 months (from March to May 2006).	No	07/01/05				(9,847,994)		(9,847,994)	-	(0.25)
35	CAF	Reduce Regular Foster Care and Adoption Assistance rates by 20%. Rates paid to providers would be reduced. This would create a significant impact to the working relationship with foster parents. This will be the third reduction or receding of a rate increase to this partnership in 3 years. It will increase the already significant challenges to recruiting and retaining foster parents. This impact may also result in litigation efforts toward an equitable rate reimbursement system.	No	07/01/05	(14,888,087)			(1,673,738)	(19,467,668)	(36,029,493)		
36	HS-OMAP/ CAF	Eliminate Children's Health Insurance Program (CHIP) This reduction would, first, reduce eligibility in the Children's Health Insurance Program (CHIP) to 133% of the federal poverty level. It would, then, eliminate the program completely if the first reduction results in insufficient savings. The fiscal impact is based on the complete elimination of CHIP. Includes related CAF savings.	Yes	07/01/06	(6,588,182)	-	-	-	(16,253,721)	(22,841,904)	(14)	(10.84)
37	SPD	Eliminate Children's Intensive In-Home Services Approximately 200 children receive services under Home & Community Based Model Waivers. Some are children with either severe medical conditions who would otherwise be in a hospital, away from their families. Others are children with severe behavioral issues that would otherwise be in an ICF/MR. Clients would likely have to move out of their homes and into facilities to see to their special needs at a much higher cost than the in-home support services.	No	10/01/05	(3,770,379)	-	-	-	(6,878,265)	(10,648,644)	(14)	(12.32)

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38	DHS	Delay remaining EBL inflation to July 06 This issue further delays implementation of remaining allowed inflationary increase for administrative, provider and client benefit costs.	No	07/01/06	(7,015,717)			(516,446)	(11,320,537)	(18,852,700)		
39	AS-OIS	Slow down MMIS Project, defer COP debt service. This option would slow the development of MMIS by approximately six months. This option would reduce the next COP sale and potentially impact the ability to leverage federal APD development resources and negatively impact projected cost savings in 2007-2009. DHS will be delayed in implementing a business solution that is projected to save over \$1 million per year in staffing efficiencies and Medicaid cost avoidance of over \$50 million per year.	No		(1,000,000)			(3,313,083)	(9,583,334)	(13,896,417)		
40	AS-OIS	Delay implementation of the SACWIS Project. This option would reduce funding for the development of a federally mandated child welfare system by 25%. Continuation of this project is essential to avoid potential federal payback of approximately \$12 million.	No		(487,000)			(3,417,274)	(3,417,274)	(7,321,548)		(2.00)
41	HS/PH-OFH	Reduce Family Planning Expansion Project (FPEP) This option would eliminate about 2/3 of FPEP and therefore reduce access to family planning services for more than 65,000 individuals each year, mostly women. Each dollar of GF in FPEP is matched by \$9 in FF. Each dollar expended saves approximately \$3 to \$5 in costs associated with labor, delivery and pediatric care during the first year of life.	No	07/01/05	(3,508,685)				(30,735,215)	(34,243,900)	(3)	(3.00)
42	SPD	Eliminate services for SPD clients in levels 12 & 13 This will impact 186 clients who will be removed from long-term care services. Potential offsetting costs of any alternative care setting needs are not estimated in this action.	No	10/01/05	(1,800,291)				(2,818,209)	(4,618,500)		
43	HS-OMAP	Eliminate Health Plan services for SPD clients in levels 12 & 13 This action would reduce OHP caseload by 218 clients who are currently in OAA or in ABAD. These clients would lose their Medicaid eligibility because their incomes are above the Medicaid eligibility requirements and were only eligible because they qualified for long-term care.	No	10/01/05	(1,036,786)	-		(80,238)	(1,748,609)	(2,865,633)		
44	HS-OMAP	Reduce Drug Coverage for adults on the Oregon Health Plan This package reduces prescription drug coverage for adults in the OHP Plus benefit package by 60% of projected drug expenditures for SFY 07.	Yes	07/01/06	(47,642,650)	-		(12,302,815)	(93,839,720)	(153,785,185)	-	-
		Total - All DHS			(242,832,348)	(780,484)	-	(116,037,491)	(504,514,106)	(864,164,428)	(22)	(157.99)