

ALLIANCE FOR THE BETTERMENT OF CITIZENS WITH DISABILITIES

ABCD NEWS:

Special Budget Edition

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Governor Corzine Delivers FY08 Budget Message

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Based upon conference calls from the Departments of Children and Families and Human Services, discussions with the Governor's Office, and the information contained in the Governor's Fiscal Year (FY) '08 Message and Budget in Brief, the following is ABCD's breakdown of affected budget areas in the developmental disabilities (DD) community. ABCD looks forward to representing our agencies and the DD community at the upcoming Budget Hearings in the spring of 2007.

Cost of Providing Care: There is a 2% increase in the budget for a cost of care increase that will be effective in January '08. Although this in effect provides only 1% in the current budget it will provide a baseline increase of 2% for the '09 budget. We will of course, through the Cost of Providing Care Coalition, continue our fight for the 4.1% increase.

ABCD is a statewide organization that provides policy analysis and education related to people with developmental disabilities. ABCD represents member agencies that provide an array of community-based services to more than 9,000 people with multiple physical and developmental disabilities and their families.

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Division of Developmental Disabilities: There is a \$10 million increase for community capacity, Real Life Choices, Family Support, Residential Waiting list and Transition from school to adult life. (We have heard that this will be for: an expansion of day programs for 150 people; Real Life Choices for 150 people; waiting list initiative to place 124 people over four years; family support services of about a \$1.1 million) This is an add-on to the \$50 million in funds over three years that was included in the budget from last year. There are also still some capital dollars left from the Department of Community Affairs.

Autism: Received \$5 million in funds for research and services. We do not yet know how this will be broken out between research and services, nor do we know for what types of services.

Division of Disability Services: \$3.5 million for the Personal Assistance Services Program (PASP), a state funded program. This should eliminate the waiting list of 150 individuals for PASP services. There is also a \$16 million cut in Personal Care Assistance (PCA) services under the Medicaid State Plan.

Medicaid: There are co-pays in the budget for prescription drugs of \$2 per drug with a monthly limit of \$10 co-pay; \$3 co-pay for outpatient hospital visits; \$6 co-pay for non-emergency use of the emergency room

with a monthly limit of \$12 per month, and a \$3 co-pay for medical day care. The State annually includes this in the budget and we, the advocates, always get it eliminated in the final budget. Also in the Medicaid budget is the continuation of the moratorium on new Medicaid providers. This is an issue of access for our clients because new pharmacies cannot become Medicaid providers and people may not be able to find a pharmacy to get their prescriptions.

- **Medicaid Reimbursements:** There is a \$5 million increase for pediatric Medicaid fee for service reimbursement rates. This is for both doctors and dentists. This is an acknowledgement that Medicaid reimbursement rates are too low across the board.

Mental Health: \$20 million increase for services but it is still unclear what services will be increased.

Dually Diagnosed Children: There is no increase in the Department of Children and Families funds for dually diagnosed children; however the same amount as last year (\$2.45 million) is in the budget for FY'08.

Earned Income Tax Credit (EITC): Which is the tax credit for low-income individuals will be expanded to be the same as the federal rate.

Hunger: There is \$4 million for hunger initiatives this year (Food Banks, etc).

Abbott School Districts: There is a co-pay for child care for families that can afford it in Abbott School districts. It is not clear at this moment how much those co-pays will be.

Early Intervention: The FY'08 budget includes \$17 million in additional funding for EI. That includes the \$12 million in additional funding for the next fiscal year to allow the Early Intervention program to be whole as well as \$5 million in funds for expected growth in the program, and a 2% cost of living adjustment for reimbursement rates. In addition, for FY'07 there will be a \$12 million transfer of funds from the Treasury that will deal with the shortfall, including funds that were expected due to the increased Family Cost Participation but did not arise because of the subsequent delay.

Cost of Providing Care Budget Increase

The Governor's budget includes 2% increase for a Cost of Providing Care increase for community providers. ABCD applauds the Governor for recognizing the needs of community provider agencies, but more funding is needed. Contract funding for community services has not kept up with the pace of inflation. The actual cost of providing the services grossly outpaces the amount of funding received.

One of the hallmarks of our State is its commitment to caring for its most vulnerable despite budget woes and competing interests. New Jersey's responsibility to this population is most evident in the wide array of community-based services it provides to families and children, people with developmental and physical disabilities, people with mental illness and senior citizens. The majority of services are provided by not-for-profit agencies whose values and mission demonstrate their dedication to the community in partnership with the State.

Community-based agencies continue to provide essential services and remain true to the purity of their missions and values: the needs of communities must be met, funding crises notwithstanding. The problem is that the community agencies, which provide the actual service on the State's behalf, are being fiscally compromised due to insufficient contract funding.

An analysis of the contract increases over the past decade demonstrates that community agencies have received significantly less in funding than the Consumer Price Index. Since 1996, community providers have received 16.5% cumulative increases even though the Consumer Price Index has increased by more than 31% in that same time frame. This dramatic differential exemplifies the need for an annualized cost of providing care increase.

Legislation, A1996, introduced by Assemblyman Cryan, would require that a Cost of Providing Care Increase be included in the Governor’s Budget Request annually based upon the CPI for the first half of the year (January-June) for the next fiscal year. The chart below shows the differential between contract increases each year and what would have been mandated if A1996 had been enacted since FY 2001.

State Fiscal Year July 1-June 30	Contract Increases for Providers	Cost of Providing Care Increase Based Upon A1996
2001	2	1.8
2002	1.6	3.3
2003	0	3.3
2004	0	1.7
2005	3.5	2.8
2006	1.5	3.3
2007	1	3.4
2008	Proposed 2% increase (effective January 2008)	4.1
Total differential:	9.6%	23.7%

So what must be done to ensure that community providers receive adequate funding for services? First, the FY 2008 budget must include a 4.1% increase for community providers. This amount is based upon the CPI-Urban Wage Earner Index for the Northeast for the first half of calendar year 2006. Second, an annualized increase of the CPI for provider contracts as proposed in bill A1996 must be instituted.

Other ancillary issues must also be put into place including continuing with contract reforms such as decreasing the number of unfunded mandates; allowing deemed status, where appropriate for national accreditation status; streamlining the contracting process; inclusion of performance based outcomes; and retention of accruals for capital investment. The State must strengthen the DHS/DCF sponsored bulk purchasing initiative, called the Social Services Purchasing Alliance, by working with the health insurance community to write medical insurance policies; explore the possibility of special community provider energy rate with the Board of Public Utilities; and allow community provider vehicles to be maintained and fueled at state and county garages.

Without annual cost of providing care increases, consumers, families, and community provider agencies will continue to see the erosion of services for our most vulnerable populations.

New Jersey Council Calls Upon Governor to Maintain, Preserve and Expand Medicaid

At the end of January, the Medical Assistance and Health Services Advisory Council (MAAC), appointed by the State Board of Humans Services with the consent of the Governor, wrote to Governor Corzine about the imperative to maintain, preserve, and expand New Jersey’s Medicaid program. This Council is required

under Title XIX of the Social Security Act. Lowell Arye, ABCD's executive director is the Vice Chair of the MAAC.

The letter discussed "the commitment of New Jersey to addressing both the health and long term care needs of some of our most vulnerable citizens by providing coverage to population groups and for services beyond those minimally required by the federal government. Although these groups and services are considered "optional" according to the federal government, they are a cornerstone for New Jersey's citizens with disabilities, seniors, and pregnant women and children. The letter recommends that New Jersey continue to cover the individuals considered "optional" beneficiaries by the federal government and continue to cover "optional services" for all beneficiary populations".

In the letter, the MAAC also "recommends that Medicaid continue without co-payments and premiums. National studies have shown that co-payments and premiums are a significant barrier to accessing services for the poorest and least healthy citizens and result in larger health care costs downstream".

In addition, the letter states as "the State works to maximize federal funding that federal Medicaid long term care monies drawn down into the State should be reinvested in community services for individuals with disabilities and their families. Service expansion has been at a virtual standstill: Community Services Waiting Lists have been growing and Olmstead implementation has not been realized".

The letter concludes by recommending that "New Jersey avail itself of the option under the Family Opportunity Act, part of the Deficit Reduction Act of 2006, to cover children with disabilities whose family's income is above the Medicaid eligibility level. This is an important new opportunity of which New Jersey can and should take advantage. Many children with disabilities do not have the benefits of Medicaid coverage, which provides recipients with open-ended entitlement to important health care services. For families who have private health insurance, this option would provide important wrap-around services for benefits not covered by private insurance. Currently, New Jersey already covers children who do not have health insurance up to 350% of the poverty level under NJ Family Care (the State's Child Health Insurance Program). Nevertheless, children who qualify for this state program receive a benefits package similar to those provided by private health insurance and do not receive the many important benefits covered under Medicaid. For example, it is essential that children with disabilities have access to the level of benefits under the Medicaid Early and Periodic Diagnostic, Screening and Treatment (EPSDT) program".

EI Budget News (Continued from the Budget Overview)

The FY'08 budget includes \$17 million in additional funding for EI. That includes the \$12 million in additional funding for the next fiscal year to allow the EI program to be whole as well as \$5 million in funds for expected growth in the program and for a 2% cost of living adjustment for reimbursement rates. This is good news.

As you may know, the EI Coalition has been advocating this year for an increase in the rates based upon the Medicare Economic Index since they are supposed to be adjusted annually according to the Letter of Agreement. We will continue to advocate for increased rates since the cumulative amount of the reimbursement rate increase since 2004 is 5.92% increase versus the 12.4% increase that should be in place based upon the Medicare Economic Index.

We look forward to working with all EI Providers on this increase. If you are interested in joining the EI Coalition, please contact Emily at Emily@abcdnj.org.

Governor's FY08 Budget Includes Expansion of Earned Income Tax Credit (EITC)

As part of the Governor's new proposed budget for FY'08 which was released on February 27, 2007, the New Jersey state Earned Income Tax Credit (EITC) program rate will now be expanded to match the federal program rate.

Currently, the EITC is a special federal and state tax benefit program for low income working families and individuals who work full or part time. People who are eligible for EITC filing may increase their federal tax refund by an average of \$1,700 and their state tax refund by an average of \$500.00.

In addition, the EITC may lower the amount of taxes owed for some individuals and families, and some may be eligible for a refund even if they do not owe taxes.

Filing for the EITC is free! To locate a Tax Preparation Site, call the NJ Community Resource Hotline by dialing 211.

For more information on EITC, visit the Internal Revenue Service's website at the link below: <http://www.irs.gov/individuals/article/0,,id=96406,00.html> or contact Ursula Baker, NJ EITC Outreach Coordinator at (609) 584-4097 or via e-mail at Ursula.baker@dhs.state.nj.us.



Update on the Burden of Proof Issue in Special Education within the State of NJ

In the November/December 2006 Issue of ABCD News, we reported that ABCD joined advocates in the filing of a successful Amicus Brief in a Burden of Proof case held before the NJ Supreme Court that involved parents and a child in an out of district special education placement.

A recent update from the Office of Ronald Chen, the Public Advocate for the State of New Jersey, has confirmed support for parents and families in Due Process hearings for special education cases. According to an article in the Star Ledger on February 15, 2007, Mr. Chen has called for the state to place the legal burden of proof on school districts when facing parents' formal complaints over school services and placements.

Citing an existing unequal playing field between families and school districts with regard to available resources for legal proceedings, Mr. Chen plans to support legislation that would permanently place the burden of proof on schools in such cases. ABCD applauds Mr. Chen's position and we look forward to supporting legislation that will achieve the goal of empowering families in Due Process hearings.

ABCD's Website Now Includes New Online Resource Guide and Community Calendar!

Check out ABCD's new *Resource Guide* for resources in the DD community and our new community calendar for news and information on upcoming ABCD and community-related events. The calendar is updated on a bi-weekly basis, so be sure to check back periodically for new event postings. If your agency has a meeting or event that you would like us to post, please contact Emily at Emily@abcdnj.org and include the name of the agency, date, and nature of the event, along with contact information.

Recent Publications

- "Governor's FY08 Budget Proposed"*
- "Cost of Providing Care Legislative Visits Needed!"*
- In case you missed it, the January/February 2007 issue of *ABCD News* and all other back issues are available for download online!*

*Visit <http://www.abcdnj.org/pubs.html> to read all of ABCD's recent and past publications.

Important Dates:

March:

5, 7, 12, 14, 15: DCF Public Forums on Improving Service Delivery (for information/RSVP, call 609-292-0422)

14: Anti Poverty Network (APN) Conference and Steering Committee Meeting

22: Trinitas Hospital Grand Rounds on Positive Behavioral Supports for People with Dual Diagnosis (for information/RSVP, call 908-994-7452)

28: APN General Meeting

29-30: Employment Conference, Elizabeth M. Boggs Center*

30: H.O.P.E. Conference at Kean University

30-31: Statewide Parent Advocacy Network (SPAN), Annual Statewide Conference

April:

11: APN Steering Committee Meeting

13: DD Lecture Series on Self-Advocacy, Elizabeth M. Boggs Center*

25: APN General Meeting

27: DD Lecture Series on Health and Wellness, Elizabeth M. Boggs Center*

*Ongoing trainings for supported employment, direct support, essential life style planning, individual habilitation plans, and positive behavioral supports are available through the **Elizabeth Boggs Center on Developmental Disabilities** from January through March of 2007. For more information, go to <http://rwjms.umdnj.edu/boggscenter/>

Spotlight on an ABCD Member Agency: Volunteers of America- Delaware Valley

ABCD would like to welcome its newest member, Volunteers of America (VOA)-Delaware Valley!

VOA is a national non-profit organization which collectively serves over 1.7 million people every year. VOA-Delaware Valley provides over 41 programs and services in the states of New Jersey, Pennsylvania, and Delaware to children, the homeless, people with mental illness, and the elderly.

In New Jersey, VOA-Delaware Valley provides 28 programs and services in the Delaware Valley and Central New Jersey area, including eleven southern counties of Cape May, Cumberland, Salem, Gloucester, Camden, Ocean, Atlantic, Burlington, Monmouth, Mercer and Somerset.

For more information on VOA-Delaware Valley, visit them on the web at: <http://www.voadv.org/> or call (856) 854-4660.

ABCD NEWS is published periodically and provides an update on the activities of ABCD and on major issues facing people with multiple and physical developmental disabilities in New Jersey. For an electronic subscription, send your e-mail address to emily@abcdnj.org.