



Empowering People: Providers Shaping Policies

Governor Christie's FY'11 Budget for People with Disabilities

The material below lays out briefly information related to Governor Christie's proposal FY 2011 budget which impacts people with developmental disabilities and other vulnerable individuals. The information is gleaned from several sources including: the Budget in Brief, a conference call with the Department of Human Services and a call from the Department of Health and Senior Services. We will continue to update this information as we get more specifics.

The Governor's Budget in Brief does mention that the State is moving forward on some provisions related to Best Practices for Third Party Social Services Providers. We have included an explanation of this under the Department of Human Services, but all community providers receiving contracts or funds from the State should be cognizant of this proposal.

Department of Human Services

The Department has received a \$182 million decrease. Approximately, \$715 million in cuts and \$532 million in growth.

Below is a brief synopsis of the changes due to the Budget by Division.

Division Deaf and Hard Hearing

- The budget includes some savings for "internal efficiencies".

Division of Disability Services

- The budget includes a decrease in provider reimbursement rates for personal care assistance with a savings of \$13.817 million.

Division of Developmental Disabilities (DDD)

The budget includes

- A new line item for new graduates of special education for day programs.
- \$14.028 million in funds for community placements included Olmstead placements (approximately 62 individuals) and to move people off of the Waiting List.

- Funds for emergency placements.
- Contract reductions. No specificity on which contracts at this time.
- Propose a cap on out of home (hotel) respite services which lowers the amount spent on these services. Currently, DDD pays providers approximately \$700 a day. The reduction will be to paying providers approximately \$300 a day for out of home (hotel) respite services.
- Use the State Rental Assistance Program (SRAP) instead of DDD funding for rental costs. There is a commitment to use approximately \$1 million in SRAP funds for DDD rent.
- Funds to move people back to NJ from Out of State placements. This will generate \$960,000 in new federal Medicaid matching funds that are not available in out-of-state placements.
- Eliminates the cash subsidy program for Family Support these funds will be used to fund people moving from the Waiting List.
- Increases the amount of funds for Contribution to Care and Maintenance from 75% to 100% but the Personal Needs Allowance will increase from \$40 a month to \$100 a month. This will increase revenues by \$15.353 million.
- Savings \$160,000 in FY'11 by collapsing Vineland Developmental Center's West Campus with its East Campus.
- Additional operating efficiencies from the Developmental Centers.

Division of Medical Assistance and Health Services (Medicaid)

The budget does **not** include Medicaid co-pays (this is the first time in 8 years that co-pays for Medicaid have not been proposed).

The budget includes

- A reduction for orthodontic services except for children with birth defects and other special needs (children who just need braces will not be covered).
- The budget includes savings for hospice efficiencies.
- The budget includes a change for partial care programs for staffing ratios which will mean a rate reduction.
- The budget includes savings for pharmacies but it is unclear what the changes will be.
- The budget includes some changes to FamilyCare including a continuation of the freeze on parents being enrolled in the program (affecting approximately 39,000 adults), termination of benefits for restricted alien adults beginning in April, 2010 (savings in FY'11 will total \$29.8 million), and a slight increase in premiums.

Division of Mental Health Services

The budget includes:

- Merger of the Division of Addiction Services with the Division of Mental Health Services. The Division of Addiction Services will have some changes to specific contracts but no actual cuts.
- An increase for Olmstead placements.
- The budget includes savings from the closure of Hagedorn Psychiatric Hospital. The budget anticipates savings of \$7.622 million as a result of this initiative.
- The budget caps rates for county psychiatric hospitals.

Division of Family Development

The budget includes:

- Funds for caseload growth for General Assistance and SSI.
- Savings in child care: including some cuts in contracts that were in the mid-year FY'10 budget cuts that will continue into FY'11
- General Assistance for "Employables" will be restructured: these individuals will no longer receive cash benefits of \$140 a month, but there will be funds for supportive services for Employment Assistance.
- Co-payments for certain families who receive free after school and summer child care programs.

Best Practices for Third-Party Social Service Providers

To ensure the sound use of State resources by third-party social service providers, the Governor would authorize the Treasurer to direct the inclusion of a Best Practices Addendum to all State contracts for social services. The Addendum would include, but not be limited to, the following:

- Prohibiting the use of contracted funds to support lobbying activities;
- Defining the extent that State contract funds can be applied to executive compensation, fringe benefits, administrative expenses, and travel and meeting costs; and
- Requiring annual provider certifications of compliance with all State program standards.

Department of Health and Senior Services

Early Intervention:

The budget includes a provision which changes the Family Cost share. The budget will explain that the change will provide savings of \$12 million over and above the \$6-\$7 million which is already netted for the current Family Cost Share. The budget will not explain how the Department is to change the Family Cost Share, but we assume that they will lower the income threshold for the Family Cost Share.

Medical Day Care

The budget includes a net decrease of \$11.719 million. This is accomplished by:

- \$9.330 million increase for medical day care.
- Two reductions that will save \$21.049 million.
 - 1) Eliminates medical day care for individuals who are there only for medication administration. If an individual needs only medication administration and no other services, the individual will be no longer eligible for medical day care services; and
 - 2) Co-pays will be implemented for Medical Day Care-- \$3 per visit with a monthly maximum cap of \$25.

Department of Labor And Workforce Development

The budget includes:

- A rate reduction to Vocational Rehabilitation services to clients with disabilities by 10% during fiscal 2011, from \$6,560 to \$5,935 per slot.
- Reimbursement rates paid to the Vocational Rehabilitation transportation program will be reduced.
- Funding for Sheltered Workshop Transportation will be limited to amounts available from the Casino Revenue Fund.

Department of Education

- The budget includes \$14.877 million in additional funds for extraordinary Special Education.
- It is unclear at this time what reductions there may be for Special Education