

### Adult & People with Disabilities 2020 Budget Reduction Exercise – May 11 2020

Agency Number	10000	
Agency Name	Department of Human Services	
Appropriation Number	87301	
Appropriation Name	DHS APD/DD - GF	Reduction Target
GF Appropriation Amount	\$ 2,261,384,135	\$ (192,217,651)

Activity or Program	Describe Reduction	Implementation Date	Reduction Amount by Fund Type (Including Pos/FTE)						Priority	Justification
			GF	LF	OF	FF	POS	FTE		
What program/activity will be reduced	Describe the effects of this reduction and impacts associated with the reduction.	When would the reduction option be implemented							First cut to take listed as #1	Brief description on why the reduction option is being proposed
APD-Reinvest any programmatic Savings back into APD	There is no programmatic impact to giving up anticipated savings. However, projected savings may not materialize at the anticipated rate resulting in a subsequent ask due to the unexpected nature of human services programs.	7/1/2020	(12,000,000)	-	-	(26,000,000)	0	0.00	1	Reduction in place to meet the mandatory 8.5% reduction total.
APD-Eliminate Mental Health Funding	This would eliminate certain mental health-related programs that are currently being delivered by AAAs and CILs throughout Oregon. Oregonians who were benefitting from these services will miss the availability of these services.	7/1/2020	(1,400,000)	-	-	-	0	0.00	2	Reduction in place to meet the mandatory 8.5% reduction total.
APD-Reduce Design Budgets by 5%	APD will need to prioritize continued spending on design budgets to only the most essential activities.	7/1/2020	(1,531,511)	-	-	(1,415,066)	0	0.00	3	Reduction in place to meet the mandatory 8.5% reduction total.
APD-Reduce Delivery budgets by 5% (Exclude AAAs).	APD field operations will experience loss of funding that will result in delayed or denied hiring of positions such as eligibility workers, case management, adult protective services and licensing. APD consumers may experience reduced levels of customer service.	7/1/2020	(5,765,026)	-	-	(6,448,596)	0	0.00	4	Reduction in place to meet the mandatory 8.5% reduction total.
APD-Reduce AAA budgets by 5%.	AAAs will experience loss of funding that has already been planned and budgeted. This may result in delayed customer service to APD consumers.	7/1/2020	(5,836,293)	-	-	(4,786,929)	0	0.00	5	Reduction in place to meet the mandatory 8.5% reduction total.

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APD-Keep Nursing Facility Rates in place as they were on the first day of the biennium.	Statutory Change Needed: The basic rate is projected to increase from \$326.50 per day to approximately \$340 per day effective 7/1/20. Taking this reduction would keep rates at 326.50 per day or approximately 4.1% less than scheduled. This will be challenging for NFs as they are experiencing increased costs and lower revenue (result of fear from COVID-19 crisis).	7/1/2020	(6,595,419)	-	(1,241,878)	(12,860,663)	0	0.00	6	Reduction in place to meet the mandatory 8.5% reduction total.	
APD-Eliminate the remaining budget for OAA Sequestration Spa money	AAAs are experiencing increased demand for services such as home delivered meals that are funded through this. Eliminating the sequestration backfill may be challenging for some AAAs to implement while maintaining the same level of service.	7/1/2020	(1,100,000)	-	-	0	0.00	7	Reduction in place to meet the mandatory 8.5% reduction total.		
APD-Eliminate OPI for people with disabilities.	Approximately 350 Oregonians would be negatively impacted by the elimination of this option under Oregon Project Independence.	7/1/2020	(3,000,000)	-	-	-	0	0.00	8	Reduction in place to meet the mandatory 8.5% reduction total.	
APD-Reduce OPI by \$7 M.	Approximately 2,000 Oregonians would be negatively impacted by the elimination of this funding.	7/1/2020	(7,000,000)	-	-	-	0	0.00	9	Reduction in place to meet the mandatory 8.5% reduction total.	
APD-Reduce the complex medical add- on for nursing facilities by 50% (Assumes that rates are paid at the current statutory level)	Statutory Change Needed. The complex medical add-on is a compensation structure that compensates nursing facilities at 140% of the basic rate for consumers meeting certain criteria. This reduction will be challenging for NFs as they are experiencing increased costs and lowered revenue resulting from the COVID-19 crisis.	7/1/2020	(5,120,182)	-	(929,199)	(9,437,263)	0	0.00	10	Reduction in place to meet the mandatory 8.5% reduction total.	
APD-Reduce CBC rates by 5.0%.	Implementing this reduction will be challenging for assisted living, residential care and memory care providers who are experiencing increased costs and lower revenue resulting from the COVID-19 crisis.	7/1/2020	(7,921,193)	-	-	(15,547,866)	0	0.00	11	Reduction in place to meet the mandatory 8.5% reduction total.	
APD-Reduce Foster Care rates by 5%	Collective bargaining necessary. Implementing this reduction will be challenging for adult foster home providers who are experiencing increased costs and lower revenue resulting from the COVID-19 crisis.	7/1/2020	(1,800,032)	-	-	(3,676,594)	0	0.00	12	Reduction in place to meet the mandatory 8.5% reduction total.	
APD-Reduce Nursing Facility Rates by 5%	Statutory Change needed. Implementing this reduction will be challenging for NFs as they are experiencing increased costs and lower revenue resulting from the COVID-19 crisis.	7/1/2020	(14,514,584)	-	(4,026,300)	(29,243,166)	0	0.00	13	Reduction in place to meet the mandatory 8.5% reduction total.	

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APD-Eliminates the complex medical add-on for nursing facilities from 20% above the basic rate, to the same as the basic rate. (Assumes that rates are paid at the current statutory level)	This reduction would eliminate the 40% premium paid to nursing facilities that serve individuals with certain complex medical conditions. Taking this reduction will require a statutory change to implement. The complex medical add-on is a compensation structure that compensates nursing facilities at 140% of the basic rate for consumers meeting certain criteria. This reduction will be challenging for NFs as they are experiencing increased costs and lowered revenue resulting from the COVID-19 crisis.	7/1/2020	(5,120,182)	-	(929,199)	(9,437,263)	0	0.00	14	Reduction in place to meet the mandatory 8.5% reduction total.	
APD-Reduce Nursing Facility Rates by an additional 5% (10% total)	Statutory Change needed. Implementing this reduction will be challenging for NFs as they are experiencing increased costs and lower revenue (result of fear from COVID-19 crisis).	7/1/2020	(14,514,584)	-	(4,026,300)	(29,243,166)	0	0.00	15	Reduction in place to meet the mandatory 8.5% reduction total.	
APD-Reduce CBC rates by an additional 5% (10% total-excluding Foster Care)	Implementing this reduction will be challenging for assisted living, residential care and memory care providers who are experiencing increased costs and lower revenue resulting from the COVID-19 crisis.	7/1/2020	(7,921,193)	-	-	(15,547,866)	0	0.00	16	Reduction in place to meet the mandatory 8.5% reduction total.	