

The Arc of Minnesota

Public Policy Update

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From Steve Larson, Public Policy Director

2009 Session Ends with Major Human Services Cuts; More Likely to Come Through Unallotment

Ø 2009 Session:

The session ended at midnight on Monday May 18th, without the Legislature and the Governor coming to an agreement on how to close the state budget deficit. There will be no special session or government shutdown; instead the Governor will balance the budget through the unallotment process which will allow him to make additional cuts not approved by the Legislature. Based on what Governor Pawlenty proposed in his human services budget earlier this session, this could include \$250 million more in cuts to health and human services. The Governor is meeting with his commissioners already to discuss possible cuts, and he will announce those cuts soon. He stated in a news conference on Tuesday, May 19, that he will not be seeking cuts in K-12 education. Any cuts that he makes would take effect on or after July 1, 2009.

Programs for persons with disabilities already received substantial cuts in the approved Health and Human Services budget which the Governor has signed into law. Below see the chart, the list of providers affected by budget cuts, and the changes to the personal care attendant (PCA) program.

Ø 2009 Legislative Session Disability Services Related Cuts

A comparison of the health and human budget passed by the Minnesota Legislature and signed by Governor Pawlenty, with the Governor’s proposed health and human service budget.

NOTE: This document is subject to editing as more information is obtained.

Legislature’s Budget	Governor’s HHS Budget
<p>2.58 % provider rate cut for long term community support services</p> <p><i>Cuts \$61.693 million in state funds, much of which is matched by federal Medicaid dollars</i></p>	<p>3 % provider rate cut to disability services</p>
<p>\$25 million cut in state funding for Personal Care Attendant (PCA) services. Did not accept the Governor’s proposal on Responsible Parties. Delayed the full brunt of the eligibility cuts for two years</p> <p><i>See PCA Changes specified below.</i></p>	<p>\$39 million cut in state funding for PCA services</p>
<p>Reduces dental benefits, but leaves OT, PT & speech therapy at current levels.</p>	<p>Eliminates these services for adults</p>
<p>Eliminates funding for Region 10 Quality Assurance Project</p> <p><i>\$884,000 cut for biennium</i></p>	<p>Eliminates funding for this program</p>
<p>Limits waiver growth</p> <p><i>Cuts \$42 million in Medicaid funds from CADI, DD, TBI waivers by cutting 530 slots for the next biennium</i></p>	<p>Limits waiver growth</p>
<p>Cuts Personal Needs Allowance to \$89/month</p> <p><i>Group Residential Housing (GRH) changes reducing Personal Needs Allowance (PNA) for those living in GRH homes. \$7,042 million cut from PNA for over 16,000 persons. Cuts PNA by \$32 for 10,000 GRH residents and \$12 for another 6,000 GRH residents.</i></p>	<p>Cuts Personal Needs Allowance to \$89/month</p>
<p>Moratorium on new waiver funded corporate adult foster homes</p>	<p>Moratorium on the increase in corporate adult foster care</p>
<p>Did not increase licensing fees for providers.</p>	<p>Increases licensing fees for providers</p>

Allows MnDHO (MN Disability Health Options) program to move forward in different form, but reduces funding	Eliminates MnDHO
Cuts Supervised Living Services, Adult Foster Homes, funded through Disability Waivers which are funded above the 95th percentile to the 95th percentile.	Did not cut these services
<p>Modify Nursing Facility Level of Care Threshold which will affect Access to Home and Community-Based Waivers and Alternative Care Programs.</p> <p><i>Delayed until January 1, 2011, due to federal stimulus requirements. Will change eligibility criteria to qualify for nursing homes and thus will change criteria for CADI-TBI waivers and will mean cuts of over 900 from CADI/TBI eligibility beginning Jan. 1, 2011, cuts Elderly Waiver eligibility. Funds MNCOMPASS, a new long term services assessment. Cuts state and federal Medicaid funds \$5.4 million for six months beginning January, 2011, and \$174.8 million Medicaid funds for 2012-13 biennium.</i></p>	Proposed the same
<p>Federal Compliance for HCBS Waivers</p> <p><i>Establishes statewide service rates for waiver services and statewide standards as required by the federal agency (CMS). Spends \$3.9 million state and federal Medicaid funds for next biennium.</i></p>	Proposed the same
<p>Limit Customized Living Service Rates under the Elderly Waiver</p> <p><i>State funds cuts: \$1.483 million for 2010-11 and \$10.297 million for 2012-13 biennium.</i></p>	Proposed the same

Ø Programs Impacted by 2.58% Provider Rate Cut

1. Home and community based waivers (DD, CADI, TBI, & CAC), including consumer-directed community supports (CDCS)
2. Nursing services and home health services
3. Personal Care Attendant (PCA) services and qualified professional supervision of PCAs
4. Day Training and Habilitation

5. Alternative Care Services for the elderly
6. Group Residential Housing (GRH)
7. Semi-Independent Living Services (SILS)
8. Community support services for deaf and hard-of-hearing adults with mental illness who use or wish to use sign language
9. Physical, occupational, speech, and respiratory therapies.
10. Consumer Support Grants (CSG)
11. Family Support Grants (FSG)
12. Aging Grants
13. Disability Linkage Line grants
14. Housing Access Grants

Ø Changes to Personal Care Attendant Program Included in Health and Human Budget, Passed by the Minnesota Legislature and Signed by the Governor

Anne Henry at the Minnesota Disability Law Center has put together more detailed information about PCA changes. See the [attached document](#) for more information. Thanks to her for putting this together, and thanks to her and Anni Simons at the Minnesota Consortium for Citizens with Disabilities for providing the information on the above chart on 2009 Disability Services Related Cuts.

Ø Additional Human Services Issues:

Five Beds: Permits the Minnesota Department of Human Services commissioner to issue a license to a facility with a five-bed capacity if the facility meets the requirements in this subdivision (must receive informed consent from the other residents in the facility and must be documented in each individual's Individual Service Plan). Allows the commissioner to issue a license for a fifth bed if this does not increase the overall capacity of licensed adult foster care beds in homes that are not the primary residence of the license holder over the capacity on July 1, 2009. Provides that this authority to issue a license for five-bed capacity expires on June 30, 2011.

Vulnerable Adults (HF818): Deals with financial exploitation of vulnerable adults. Expands the crime to include: the unlawful use, deprivation, or control of a vulnerable adult's real or personal property for the benefit of someone other than the vulnerable adult; or the establishment of a fiduciary relationship of a vulnerable adult through harassment, undue influence, or other coercive means. This includes property of the vulnerable adult held in the name of a third party. Consent is not a defense to this crime if the actor knew or had reason to know the vulnerable adult lacked capacity to consent.

DT&H Alternative Licensing (SF1447) - Day training and habilitation or supported employment services programs that have a three-year accreditation from the Commission on Rehabilitation Facilities, and have had at least one on-site inspection by the DHS commissioner following issuance of the initial license, can request alternative inspection status.

Parental Fees: All reimbursements must include a notice that the amount reimbursed may be taxable income if the parent paid for the parent's fees through an employer's health care flexible spending account under the Internal Revenue Code, Section 125, and that the parent is responsible for paying the taxes owed on the amount reimbursed.

General Assistance Medical Care (GAMC) The Governor line-item vetoed the \$381 million appropriation for this program, which provides health insurance for the most poor single adults effective July 1, 2010.

Ø *Children & Education Issues:*

Restricted Procedures – Language in the Education Omnibus Bill signed by the Governor will limit the use of seclusion and restraint to emergencies only and will call for training in schools on Positive Behavioral Interventions and Supports (PBIS). This will go into effect July 1, 2011.

Bullying and Harrassment - . The Safe Schools for All Act awaits the signature of the Governor after passage by the Legislature. The Act directs schools to create policies that prohibit “harassment, bullying, intimidation, and violence” based on characteristics that include race, color, creed, religion, disability, socioeconomic status, or physical

characteristics. Current MN law requires school districts to have a policy that prohibits harassment based on race, sex, and religion. The vast majority of school district harassment policies, however, do not prohibit harassment based on other characteristics like disability, national origin, socioeconomic status, or physical characteristics.

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