



## An Advocates Guide to the Governor's Recommended Budget December 2008

On December 1, the Governor of Oregon released his proposed budget for the 2009-11 biennium. The budget gives a picture of the Governor's priorities for funding in the next biennium and also shows the cuts he proposes to services throughout the state. Many are wondering what this means for services to seniors and people with physical disabilities in the upcoming biennium – we've provided some information below:

### 1. What cuts were proposed to Seniors & People with Disabilities?

The Governor's Budget addresses all areas of state government and all agencies. In regards to the Department of Human Services, Seniors & People with Disabilities, there were several small cuts and a few very large cuts. The major cuts proposed are:

- **Eliminate in-home care under Medicaid to clients receiving less than 80 hours** of care per month. This cut is proposed to take place October 2009. About 6,590 clients would lose services although it is estimated that some of that group will be eligible for other lesser services under Medicaid. However, at least 2,500 will lose services altogether and many will lose medical coverage under the Oregon Health Plan. This is a \$62 million total fund cut
- **Lower income eligibility in Medicaid services** from the current standard of \$1,991 per month to \$1,300 per month in income to receive help. This is known as the "reduction in SSI" cut. It is estimated that about 4,000 seniors and people with disabilities will lose services under this cut. These individuals will also lose medical coverage under the Oregon Health Plan. This cut is based on income only, regardless of care setting. Therefore it impacts clients with all levels of Service Priority Level, from 1-13 and in any care setting from 24 hour nursing care to in home to community based care. This cut is very serious and would dramatically impact vulnerable seniors and people with disabilities far into the future. This is a \$264.9 million total fund cut.
- **Decreasing rates to the Area Agencies on Aging for local services.** This cut would require Area Agencies on Aging that provide community based Medicaid services to participate in freezing their field staff structure except for the most critical positions. This would increase the equity gap for those Area Agencies on Aging who are already working at a deficit by receiving only 90% of costs to provide the state's services rather than the statutorily required 95%. This is a \$600,000 cut and would move the equity gap from 90% to 88%.

Other cuts proposed are:

- Reduction of homecare worker training and health benefits
- Elimination of the Retired Senior Volunteer Program state funds, RSVP
- Elimination of the Senior Health Insurance Benefits Assistance Program state funds, SHIBA
- Elimination of cost of living adjustments in all Seniors & People with Disabilities programs and associated federal matching funds
- Nursing facility cost limitation

The Seniors & People with Disabilities budget within Human Services took the largest cuts in all of human services. There are other investments of funds in other areas of Human Services but seniors and people with disabilities were not one of them. The cuts proposed by the Governor would dramatically alter the face of long-term care in Oregon and jeopardize very necessary care for many.



**2. What does the Governor's Budget mean? What happens now to services?**

The Governor's budget is a proposed budget by their office. It is not set in stone, it is not law. It is a starting point now for the Legislative process that begins in January. Legislators will now have this to either work with or to disregard and start over with their own budget.

Service cuts proposed under the Governor's budget would not go into affect until the next biennium if they were even accepted by the Legislature. However, it is the goal of O4AD to make sure the cuts that may have to be taken in the 2009-11 biennium affect as few clients as possible. And that will take **all of us working together** to help legislators make better choices for seniors and people with disabilities.

**3. What happened to Oregon Project Independence?**

Oregon Project Independence (OPI) is in a precarious position as we head into the 2009 biennium. OPI was given a dedicated source of funding via a Trust Fund, but unfortunately that source of funding is not replenishing itself. The 2007 Legislature removed all state General Fund investment from the program making it solely funded by the Trust Fund.

The Governor's Budget **did not address the deficit of funds for OPI**. Therefore, OPI has the potential to face the **single largest cut in services** in the history of this innovative and effective program. This would result in people losing the ability to stay in their homes and will also cost the state many more dollars in resulting higher service needs of OPI clients through Medicaid.

Because OPI is now funded solely from the Trust Fund, it does not even show up as a state General Fund budget cut! It is an issue advocates need to pay attention to this session and let Legislators know that OPI needs their help in this session to keep saving the state money. You can help save this program!

**4. Who will decide the cuts to the budget? What happens now?**

Now, the Legislature will take this budget and deliberate within Ways & Means to determine if they use this budget as a starting point, if they rewrite the budget entirely or they come up with some other solution. Your input as an advocate becomes incredibly important to help your legislators understand the impact of these cuts to real people. Real people need smart solutions in troubled times.

**5. What about the Federal Stimulus Packages that are being proposed – will they help?**

They might. The proposed stimulus packages that are being debated right now all include an increased match to Medicaid dollars for states. For Oregon, that would mean an enhanced match rate for programs under Medicaid which include in-home services and community based care. This would be a way for the state to lessen the impact of the cuts.

However – what is **important for legislators to remember is that if there is a stronger Medicaid match, that does NOT mean the state can then remove more general funds from senior & disability programs to use in other areas**. The funds must remain in these programs and not be switched out for other purposes.



## 6. What can I do to help?

There is a lot you can do. Here's a starting list:

- Contact your legislators and the Governor's office and let them know:
  - This budget and the cuts included is unacceptable to seniors and people with disabilities
  - Real people who are vulnerable will lose services and have no alternatives for care under this budget
  - Legislators need to utilize O4AD, their advocates and Advisory Councils to understand the cuts, understand the impacts, and hear the voice of clients during this process.
- Join our advocacy network to receive the latest information on what's happening at the capitol and with the budget. Go online: [www.o4ad.org](http://www.o4ad.org).
- Get ready for the Legislative session by learning more about the programs and services in your area and the clients that are served.
- Let your local Area Agency on Aging and/or Advisory Council know you want to advocate. We can help you get involved with our legislators!
- Email O4AD – [info@o4ad.org](mailto:info@o4ad.org) or call us: 503-463-8692 to get involved.

We need your help now more than ever to protect services to Oregon's seniors and people with physical disabilities. Our advocates provide a critical voice for Oregon's seniors and people with disabilities.

Ask your neighbors, family and friends to be involved. Make your voice heard this session to be sure that our seniors and people with disabilities aren't asked to carry the budget load for the state of Oregon.

**O4AD will keep you informed about status of the budget deliberations and will give practical ideas about things that you can do to help during the next Legislative Session.**

**Join our advocacy network at [www.o4ad.org](http://www.o4ad.org).**

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