

A reduction of (\$9,085,364) General Fund and (\$20,890,825) Federal Funds to the medical assistance program was included in the Department's primary budget bill (SB 5529). This measure will allow the Department to make changes to meet this legislative reduction without seeking additional approval.

ADDICTIONS AND MENTAL HEALTH DIVISION –

Gambling Treatment Fund

This bill reduces the Lottery Funds allocated from the Administrative Services Economic Development Fund to the Problem Gambling Treatment Fund by \$2,120,912 in the fiscal year beginning July 1, 2009.

This action to reduce the statutory transfer of revenues to the Department of Human Services is reflected in the Department's primary budget bill (SB 5529).

SENIORS AND PEOPLE WITH DISABILITIES DIVISION –

Long Term Care Facility Quality Assurance Fund

Section 24, Chapter 736, Oregon Laws 2003 established the Long Term Care Facility Quality Assurance Fund. Amounts in the Fund are continuously appropriated to the Department of Human Services (DHS) for the purposes of funding long term care facilities that are a part of the Oregon Medicaid reimbursement system. Section 24(4)(f), Chapter 736, Oregon Laws 2003 as amended specifies that the reimbursement methodology used to make additional payments to Medicaid-certified long term care facilities includes requiring DHS to reimburse costs at a rate not lower than the 63rd percentile of allowable costs. Notwithstanding Section 24, Chapter 736, Oregon Laws 2003, House Bill 2126 authorizes the Department of Human Services to limit the administrative cost and property expense components of the allowable costs that are reimbursed in accordance with the legislatively adopted budget. This authority is repealed on June 30, 2011.

This authority to limit the administrative cost and property expense components of the allowable costs is estimated to have an expenditure reduction of (\$29.5) million Total Funds. This amount is comprised of (\$7.3) million General Fund, (\$1.5) million Other Funds and (\$20.7) million Federal Funds. This impact is reflected in the Department's primary budget bill (SB 5529).

CHILDREN, ADULTS AND FAMILIES DIVISION –

Reductions in Temporary Assistance for Needy Families

House Bill 2126 authorizes the Department of Human Services (DHS) to implement certain reductions in Temporary Assistance for Needy Families (TANF) for the biennium beginning July 1, 2009. The reductions anticipated affect eligibility for TANF cash assistance, post-TANF payment levels, Job Opportunities and Basic Skills (JOBS) employment and training services, and employment related day-care assistance.

The reductions to be implemented are estimated to have an expenditure impact of (33) positions, (41.77) FTEs, and (\$60.2) million Total Funds. This amount is comprised of (\$79.2) million General Fund, (\$1.1) million Other Funds and \$20.2 million Federal Funds. This impact is reflected in the Department's primary budget bill (SB 5529).