

**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5524-A

Carrier – House: Rep. Thatcher

Carrier – Senate: Sen. Winters

JOINT COMMITTEE ON WAYS AND MEANS

Action: Do Pass as Amended and As Printed A-Engrossed

Vote: 22 – 0 – 3

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant

– Nays:

– Exc:

Senate – Yeas: Devlin, Edwards, Johnson, Monroe, Thomsen, Verger, Whitsett, Winters

– Nays:

– Exc: Bates, Girod, Nelson

Prepared By: Blake Johnson, Department of Administrative Services

Reviewed By: Sheila Baker, Legislative Fiscal Office

Meeting Date: April 29, 2011

Agency

Long Term Care Ombudsman

Budget Page

C-17

LFO Analysis Page

73

Biennium

2011-13

Budget Summary

	2009-11 Legislatively Approved Budget ⁽¹⁾	2011-13 Current Service Level	2011-13 Governor's Budget	2011-13 Committee Recommendation	Committee Change from 2009-11 Leg Approved	
					\$ change	% change
General Fund	\$ 1,084,316	\$ 1,880,115	\$ -	\$ 1,755,372	\$ 671,056	61.9%
Other Funds	1,932,156	675,382	2,449,877	583,304	(1,348,852)	-69.8%
Total	\$ 3,016,472	\$ 2,555,497	\$ 2,449,877	\$ 2,338,676	\$ (677,796)	-22.5%

Position Summary

Authorized positions	11	11	11	11
Full-time equivalent positions (FTE)	10.50	10.50	10.75	10.75

(1) Includes adjustments through March 2011

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Long Term Care Ombudsman (LTCO) receives an appropriation of General Fund. In the past, the agency used most of its General Fund to match Federal Older Americans Act and Medicaid funds. These federal resources were transferred from the Department of Human Services and were included in the LTCO budget as Other Funds. The Centers for Medicare & Medicaid Services (CMS) has recently notified states that LTCO expenditures are not an appropriate use of Medicaid funds. Consequently, the agency's Federal Funds revenue (classified as Other Funds) will drop from almost \$2 million in 2009-11 to under \$600,000 in 2011-13. The agency will continue to receive Older Americans Act funds from the Department of Human Services as Other Funds.

Summary of Human Services Subcommittee Action

The mission of the Long Term Care Ombudsman is to enhance the quality of life, improve the level of care, protect the individual's rights, and promote the dignity of each Oregon citizen living in a long term care facility. The agency supports a network of certified local volunteers who investigate and help resolve complaints from residents in nursing facilities, assisted living facilities, residential care facilities and adult foster care homes.

The Human Services Subcommittee approved a budget of \$2,338,676 total funds, consisting of \$1,755,372 General Fund, \$583,304 Other Funds, and 11 positions (10.75 FTE). While on the surface this appears to be a 22 percent total funds reduction from the 2009-11 Legislatively Approved Budget, it effectively is a 7.8 percent increase. The transfer of General Fund to the Department of Human Services and the subsequent federal matching and transfer of Other Funds back to LTCO creates a budget double-counting that artificially inflates the total funds. The approved budget is about 8.5 percent below the more-comparable current service level estimate. It continues all of the agency's current staff and functions for the 2011-13 biennium.

The General Fund appropriation replaces the Governor's recommended increase in long-term care facility licensing fees to support the agency's operations. The Subcommittee's approved budget also adjusts funding to reflect a lower Other Funds beginning balance, redirects funds to add 0.25 full-time equivalent to the existing 0.50 full-time equivalent Data Coordinator position, and implements the Ways & Means Co-Chairs' plan for Services and Supplies expenditure reductions and a supplemental statewide ending balance.

The recommended budget for this agency includes a reduction of General Funds for a supplemental ending balance. The reduction is intended to be applied against spending levels in the second year of the biennium and to not affect program delivery in the first year. To reinforce that intent, the agency's budget bill includes specific language allowing the agency to expend up to 54% of its total biennial General Fund appropriation in the first year of the biennium.

The amount of the reduction for the supplemental ending balance may be restored during the February 2012 session to the agency for the second year of the biennium depending on economic conditions. Therefore, the Co-Chairs of the Joint Committee on Ways and Means expect the agency director to closely monitor the quarterly revenue forecast and other economic indicators to gauge adequacy of funding in the second year and manage the budget accordingly.

The Subcommittee supported continued work with the Department of Human Services' Seniors and People with Disabilities (SPD) program to improve the timeliness of responses to cases referred by the LTCO to SPD for Adult Protective Services investigations, and suggested the agencies report on their efforts and progress in this area to a policy committee during the 2012 legislative session or later in the interim.

Summary of Performance Measure Action

See attached Legislatively Adopted 2011-13 Key Performance Measures form.

The Subcommittee approved revisions to several KPMs to measure annual instead of quarterly visits to long-term care facilities, and two new KPMs for advocacy and volunteerism. The Subcommittee directed the agency to identify and review available data sources and establish targets for the two new measures and report to the Department of Administrative Services Budget and Management Division and the Legislative Fiscal Office by January 1, 2012.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5524-A

**Long Term Care Ombudsman
Blake Johnson -- (503) 378-3195**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011 *	\$1,084,316	\$0	\$1,932,156	\$0	\$0	\$0	\$3,016,472	11	10.50
2011-13 ORBITS printed Current Service Level (CSL)*	\$1,880,115	\$0	\$675,382	\$0	\$0	\$0	\$2,555,497	11	10.50
2011-13 Governor's Recommended Budget *	\$0	\$0	\$2,449,877	\$0	\$0	\$0	\$2,449,877	11	10.75
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
Package 091: Revenue Solutions									
Personal Services	1,341,543	0	(1,341,543)	0	0	0	0	0	0.00
Services and Supplies	485,938	0	(485,938)	0	0	0	0	0	0.00
Special Payments	20,087	0	(20,087)	0	0	0	0	0	0.00
Package 100: Increased Technical Support									
Personal Services	0	0	(19,005)	0	0	0	(19,005)	0	0.00
Package 801: Targeted Statewide Adjustments									
Services and Supplies	(28,530)	0	0	0	0	0	(28,530)	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Personal Services	(49,449)	0	0	0	0	0	(49,449)	0	0.00
Services and Supplies	(14,217)	0	0	0	0	0	(14,217)	0	0.00
TOTAL ADJUSTMENTS	\$1,755,372	\$0	(\$1,866,573)	\$0	\$0	\$0	(\$111,201)	0	0.00
SUBCOMMITTEE RECOMMENDATION *	\$1,755,372	\$0	\$583,304	\$0	\$0	\$0	\$2,338,676	11	10.75
% Change from 2009-11 Leg Approved Budget	61.89%	0.00%	-69.81%	0.00%	0.00%	0.00%	-22.47%	0.00%	2.38%
% Change from 2011-13 Current Service Level	-6.63%	0.00%	-13.63%	0.00%	0.00%	0.00%	-8.48%	0.00%	2.38%
% Change from 2011-13 Governor's Recommended Budget	0.00%	0.00%	-76.19%	0.00%	0.00%	0.00%	-4.54%	0.00%	0.00%

* Excludes Capital Construction Expenditures

Legislatively Adopted 2011-2013 Key Performance Measures

Agency: LONG-TERM CARE OMBUDSMAN, Office of

Mission: To Enhance The Quality Of Life, Improve The Level Of Care, Protect The Rights Of The Individual And Promote The Dignity Of Each Oregon Citizen Living In A Nursing Facility, Residential Care Facility, Assisted Living Facility Or Adult Foster Care Home.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 - Percentage of non-referred complaints where action is needed that are partially or fully resolved.		Approved KPM	97.00	97.00	97.00
2 - Average initial response time to non-referred cases.		Approved KPM	1.72	2.00	2.00
3 - Average time to close non-referred cases.		Approved KPM	28.00	30.00	30.00
4 - Percentage of nursing facilities visited at least once annually.		Approved KPM	80.00	100.00	100.00
5 - Percentage of assisted living and residential care facilities visited at least once annually.		Approved KPM	58.00	80.00	80.00
6 - Percentage of adult foster care homes visited at least once annually.		Approved KPM	12.00	40.00	40.00
7 - Number of requests for assistance from consumers, the public, facility staff and agencies.		Approved KPM	4,312.00	5,000.00	5,000.00
8 - Participation in system-wide advocacy meetings at the local, regional, state and national levels.		Approved KPM			
9 - Total number of certified ombudsmen volunteer hours annually.		Approved KPM			
10 - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Accuracy	Approved KPM	75.00	80.00	80.00
10 - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Availability of Information	Approved KPM	65.00	80.00	80.00
10 - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Expertise	Approved KPM	75.00	80.00	80.00

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
10 - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved KPM	81.00	80.00	80.00
10 - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Overall	Approved KPM	75.00	80.00	80.00
10 - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Timeliness	Approved KPM	74.00	80.00	80.00

LFO Recommendation:

Do not approve the agency's proposed new KPMs, or proposed deletions of KPMs 1, 2, 3, 4, 5, 6, and 7. Approve targets as shown for KPMs 1, 2, 3, 7 and 8. Modify KPMs 4, 5, and 6 to measure annual visits instead of quarterly visits, and approve targets as shown. Establish two new agency KPMs for advocacy and volunteerism, as follows: NEW: KPM #8 Participation in system-wide advocacy meetings at the local, regional, state and national levels. NEW: KPM #9: Total number of certified ombudsmen volunteer hours annually. Direct the agency to identify and review available data sources and establish targets for the two new measures, and report that information to the Department of Administrative Services and the Legislative Fiscal Office by January 1, 2012. Renumber existing KPM 8 as KPM 10.

Sub-Committee Action:

Approved the LFO recommendation.