
MEMORANDUM

Legislative Fiscal Office
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To: Human Services Subcommittee

From: Laurie Byerly, Legislative Fiscal Office
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Date: June 22, 2015

Subject: HB 5026: Department of Human Services – Aging and People with Disabilities
Work Session Recommendations

Department of Human Services – Aging and People with Disabilities

	2011-13 Actual	2013-15 Legislatively Approved	2015-17 Current Service Level	2015-17 LFO Recommended
General Fund	741,872,154	734,669,584	847,352,513	862,154,849
Other Funds	139,658,310	165,359,591	186,803,755	186,445,596
Federal Funds	1,405,438,685	1,597,720,670	1,830,373,538	1,904,851,028
Total Funds	\$2,286,969,149	\$2,497,749,845	\$2,864,529,806	\$2,953,451,473
Positions	1,134	1,163	1,194	1,251
FTE	1,123.31	1,147.68	1,184.28	1,241.28

Attached are the recommendations from the Legislative Fiscal Office for the Aging and People with Disabilities (APD) program. The LFO recommended budget for APD is just over a 17% General Fund (18.2% total funds) increase from the 2013-15 Legislatively Approved Budget. While the budget includes some actions to reduce General Fund need and offset costs, about half of the budget growth is due to caseload/workload while a significant portion is tied to addressing other budget needs. The recommended budget includes the following key budget actions or components:

- Eliminating standard inflation and assuming a 3% higher vacancy rate, allowing \$6.3 million General Fund (\$15.1 million total funds) to be repurposed for other budget needs.
- Reshoot adjustments to account for overall caseload growth and cost per case changes based on the Spring 2015 forecast. Adjustments (increases) to workload models for the APD field and Area Agencies on Aging (AAAs); APD workload is at 90% of the workload model with the AAAs at 95% equity. General Fund costs are partially offset by a higher Federal Medicaid Assistance Percentage (FMAP) rate.
- The recommendation includes \$14.4 million General Fund (\$48.0 million total funds) to cover initial costs associated with implementing U.S. Department of Labor (USDOL) fair labor standards act rule changes affecting home care workers.

Additional future costs are expected to be covered by a special purpose appropriation to the Emergency Board to be included in the omnibus end of session bill. A portion of the final regulations are in a state of uncertainty at this time, due to pending litigation at the federal level.

- Package 107, which covers the next phase of development and implementation of a streamlined and integrated Statewide Adult Abuse and Report Writing System, is not included in this recommendation, since it has a bonding component; funding will be addressed in an omnibus bill if bonding is approved. Project cost, which is based on updated costing and project estimates from the third party vendor that refined the project business case, is \$5.6 million total funds, with \$1.4 million of that amount covered by General Fund and the remainder from bond proceeds. An estimated \$0.8 million General Fund will be needed to cover debt service on those bonds in 2015-17. While not part of HB 5026, the General Fund for this project has been included in the overall budget plan for DHS.

The project was reviewed by the Ways and Means Subcommittee on Information Technology, which recommended incremental and conditional approval of the package; detailed recommendations are attached to this memo.

- The budget plan includes the following changes (some are program reductions) to repurpose General Fund within the budget plan:
 - Fundshifts \$5 million General Fund to Federal Funds to reflect claiming additional funding for new program eligibles under the Affordable Care Act.
 - Eliminates \$2 million General Fund that was used to replace federal Older Americans Act funding that was reduced due to sequestration.
 - Eliminates \$1.95 million General Fund paying for the Innovation Fund; this was a new initiative in 2013-15. This action retains \$350,000 General Fund in the budget to continue support for Our House’s community-based program serving individuals with HIV/AIDS.
 - Eliminates \$2.8 million General Fund supporting the Gatekeeper program; this was another new, discretionary expenditure for 2013-15. The program trains customer contact employees to recognize signs that an older person may need help.
 - Eliminates \$1.8 million paying for Aging and Disability Resource Connection (ADRC) options counseling. The program helps consumers and families identify options and supports for long-term care, toward promoting informed decision-making.
- The budget includes \$1.6 million General Fund to pay back property taxes for seniors eligible for hardship relief stemming from changes made to the Senior/Disabled Property Tax Deferral Program (HB 2510 and HB 2489) during the 2013 session. It is estimated that about 200 households still need assistance.
- Includes \$6 million General Fund to continue the Oregon Project Independence pilot project expanding services to people with disabilities who are under age 60.
- To extend the caregiver training initiative rolled out in the current biennium, \$3.3 million General Fund is added.

- Home and Community Based Care provider rates are increased by 2.5% annually, driving increases of \$6.8 million General Fund and \$15.8 million Federal Funds.
- \$200,000 General Fund is provided to support a statewide community-based needs assessment to identify the needs for services or programs to better support deaf, deaf plus, deaf blind, hard of hearing, and late deafness individuals.
- Along with several other programs, the budget continues a \$1.25 million General Fund investment in evidenced based health promotion for seniors; in 2013-15 this was part of the funding originally allocated for senior programs during the 2013 special session. A chart showing the 2015-17 budget components supporting this senior “commitment” is attached to this memo.

Adjustments to Current Service Level:

See attached “HB 5026 Work Session” spreadsheet dated 6/22/15.

LFO recommends the Subcommittee approve a 2015-17 DHS Aging and People with Disabilities budget as follows:

\$ 862,154,849	General Fund
\$ 186,445,596	Other Funds
\$ 1,904,851,028	Federal Funds
1,251	Positions
1,241.28	FTE

Accept LFO Recommendation

Move the LFO preliminary budget recommendations for Aging and People with Disabilities and HB 5026.

Performance Measures

See attached “Legislatively Proposed 2015-17 Key Performance Measures” form for measures tied to this specific program. An agency-wide report will be presented for review and approval as part of the final action on the DHS budget.

Accept LFO Recommendation

Move the LFO recommendation on Key Performance Measures for Aging and People with Disabilities.

Recommended Changes to Appropriation Bill

The Aging and People with Disabilities budget is part of HB 5026, which is the budget bill for the entire Department of Human Services. The recommended amendments to HB 5026 will be presented after work sessions are completed on all parts of the budget.

DEPARTMENT OF HUMAN SERVICES: AGING AND PEOPLE WITH DISABILITIES
HB 5026 WORK SESSION

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
2013-15 Legislatively Approved Budget (As of May 2015 Rebalance)	734,669,584	-	165,359,591	1,597,720,670	-	-	2,497,749,845	1,163	1,147.68	
2015-17 Current Service Level Estimate (at Governor's Budget)	847,352,513	-	186,803,755	1,830,373,538	-	-	2,864,529,806	1,194	1,184.28	
2015-17 Governor's Budget (GB)	812,787,834	-	182,514,309	1,759,294,954	-	-	2,754,597,097	1,192	1,182.28	
2015-17 LFO RECOMMENDED BUDGET	862,154,849	-	186,445,596	1,904,851,028	-	-	2,953,451,473	1,251	1,241.28	

2015-17 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL

1 2015-17 Current Service Level Estimate	847,352,513	-	186,803,755	1,830,373,538	-	-	2,864,529,806	1,194	1,184.28	
2										
3 Recommendations for Existing Packages										
4 Pkg 070: Revenue Shortfalls	-	-	(20,087)	(58,436)	-	-	(78,523)	-	-	Payment to LTCO
5 Pkg 080: May 2014 E-Board	2,077,127	-	-	-	-	-	2,077,127	-	-	Sequestration backfill carryforward
6 Pkg 081: September 2014 E-Board	634,800	-	-	-	-	-	634,800	-	-	Long term care annual reporting
7 Pkg 090: CFO Analyst Adjustments										
8 Reduce standard inflation	(4,691,532)	-	(344,904)	(6,203,452)	-	-	(11,239,888)	-	-	Gov's funding strategy
9 Add'l 3% vacancy factor	(1,636,438)	-	(15,631)	(2,255,379)	-	-	(3,907,448)	-	-	Gov's funding strategy
10 NF Rate Adjustment	(30,160,000)	-	(5,908,824)	(62,371,569)	-	-	(98,440,393)	-	-	Account for most recent cost report
11 Evidence Based Health Reduction	-	-	-	-	-	-	-	-	-	Not reduced
12 Pkg 091: December Rebalance										
13 Technical adjustments and transfers	(976,130)	-	-	(189,748)	-	-	(1,165,878)	(2)	(2.00)	Positions to Shared Services
14 Pkg 107: SAADRWS Project	-	-	-	-	-	-	-	-	-	Contingent on bonding → EOS bill
15 Other Recommended Adjustments										
16 Pkg 083: December 2014 E-Board	300,000	-	-	-	-	-	300,000	-	-	Adjusted per Senior Commitment Plan
17 Pkg 801: LFO Analyst Adjustments										
18 Caseload forecast	30,074,238	-	5,927,932	68,953,851	-	-	104,956,021	-	-	In-Home up 21%
19 FMAP Rate Change	(7,260,117)	-	(15,399)	7,275,516	-	-	-	-	-	From 63.90% up to 64.21%
20 APD Field/AAA Workload Update	5,202,108	-	-	8,675,918	-	-	13,878,026	60	60.00	APD @ 90% model; AAAs @ 95% equity
21 Correct USDOL Placement + Update FMAP	14,400,000	-	-	33,600,000	-	-	48,000,000	-	-	Place portion in SPA
22 Home Care Worker Vacation Payout	2,601,254	-	-	6,010,746	-	-	8,612,000	-	-	PTO cash-out for HCWs not in GB
23 ECOS/Long Term Care Provider funds from AMH	190,050	-	-	329,070	-	-	519,120	-	-	Align budget between DHS and OHA
24 Leverage ACA	(5,000,000)	-	-	5,000,000	-	-	-	-	-	Capture add'l federal funds
25 Unwind portion of OAA sequester backfill	(2,000,000)	-	-	-	-	-	(2,000,000)	-	-	Federal program and obligation
26 Innovation Fund	(1,950,000)	-	-	-	-	-	(1,950,000)	-	-	Retains Our House, discretionary
27 Eliminate Gatekeeper Program	(2,800,000)	-	-	-	-	-	(2,800,000)	-	-	Discretionary, newer program

DEPARTMENT OF HUMAN SERVICES: AGING AND PEOPLE WITH DISABILITIES
HB 5026 WORK SESSION

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
28	ADRC Options Counseling	(1,800,000)	-	-	-	-	(1,800,000)	-	-	Discretionary, newer program
29	Property Tax Deferral Hardship Fund	1,600,000	-	-	-	-	1,600,000	-	-	One-time, cover remaining back taxes
30	Remove CBC Index	(100,000)	-	-	-	-	(100,000)	-	-	Not currently needed
31	Continue OPI Expansion Pilot	6,000,000	-	-	-	-	6,000,000	-	-	Part of Senior Commitment
32	Renew Caregiver Training	3,300,000	-	-	-	-	3,300,000	-	-	Part of Senior Commitment
33	COLA for HCBS Providers	6,719,173	-	-	15,810,378	-	22,529,551	-	-	2.5% and 2.5%
34	Statewide community-based needs assessment	200,000	-	-	-	-	200,000	-	-	Deaf and hard of hearing needs
35	Technical adjustments and transfers	(122,197)	-	18,754	(99,405)	-	(202,848)	(1)	(1.00)	Position to PDS
36										
37	Total adjustments LFO Rec from CSL	14,802,336	-	(358,159)	74,477,490	-	88,921,667	57	57.00	
38										
39	TOTAL 2013-17 LFO Recommended Budget	862,154,849	-	186,445,596	1,904,851,028	-	2,953,451,473	1,251	1,241.28	
40										
41	\$ Change from 2013-15 Approved	127,485,265	-	21,086,005	307,130,358	-	455,701,628	88	93.60	
42	% Change from 2013-15 Approved	17.35%	-	12.75%	19.22%	-	18.24%	7.57%	8.16%	
43	\$ Change from 2015-17 CSL Estimate	14,802,336	-	(358,159)	74,477,490	-	88,921,667	57	57.00	
44	% Change from 2015-17 CSL Estimate	1.75%	-	-0.19%	4.07%	-	3.10%	4.77%	4.81%	
45	% Change from 2015-17 Governor's Budget	49,367,015	-	3,931,287	145,556,074	-	198,854,376	59	59.00	
46	% Change from 2015-17 Governor's Budget	6.07%	-	2.15%	8.27%	-	7.22%	4.95%	4.99%	

Legislatively Proposed 2015-17 Key Performance Measures

Agency: HUMAN SERVICES, DEPARTMENT of

Aging and People with Disabilities

Mission: Assisting people to become independent, healthy and safe.

Current KPM #	Proposed KPM #	Legislatively Proposed KPMs	PGM	Agency Request	Most Current Result	Target 2016	Target 2017
10	10	LTC NEED PREVENTION – Percentage of seniors (65+) needing publicly funded long term care services.	APD	Approved KPM	3.13	3.10	3.10
11	11	LTC RECIPIENTS LIVING OUTSIDE OF NURSING FACILITIES – The percentage of Oregonians accessing publicly funded long term care services who are living outside of nursing facilities.	APD	Approved KPM	85.10	87.00	87.00
16		PLACEHOLDER: ADULT PROTECTIVE SERVICES	APD	Proposed Delete KPM			
	16	ABUSE OF SENIORS AND PEOPLE WITH DISABILITIES – The percentage of seniors and adults with physical disabilities experiencing abuse.	APD	Proposed New KPM <i>replaces KPM #16</i>	0.59	2.20	2.20

LFO Recommendation:

Approve the performance measures, including the replacement request, with targets as shown.

MEMORANDUM

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To: Human Services Subcommittee
Joint Committee on Ways and Means

From: Information Technology Subcommittee
Joint Committee on Ways and Means

Date: May 19, 2015

Subject: Department of Human Services: HB 5026 – POP #107 – Statewide Adult Abuse Data and Report-Writing System Project
LFO Recommendations

The Information Technology Subcommittee recommends incremental, conditional approval of Policy Option Package #107- Statewide Adult Abuse Data and Report-Writing System (SAADRWS) Project, assuming the spending authority and personnel resources are made available to the Department of Human Services (DHS) within the 2015-17 adopted budget. In addition, LFO recommends that: the proposed funding for any remaining planning activities be approved; any remaining General Fund or Other Funds expenditure limitation be unscheduled by the Department of Administrative Services, and DHS be required to request Office of the State CIO (OSCIO), Chief Financial Office (CFO), and LFO approval, that a portion, or all of the remaining unscheduled funds, be rescheduled for agency use to initiate and complete project execution activities. Specifically, the Information Technology Subcommittee recommends that DHS:

- Continue to work closely with and regularly report project status to the Office of the State Chief Information Officer (OSCIO) and LFO throughout the project's lifecycle.
- Continue to follow the Joint State CIO/LFO Stage Gate Review Process.
- Retain/hire/appoint or contract for qualified project management services with experience in planning and managing projects of this type, scope, and magnitude.
- Develop a plan and schedule for re-evaluating the recently completed vendor business case and options analysis (that recommended a custom developed application system).
- Develop an estimate for the cost of continuing SAADRWS Project planning work between July 1, 2015 and March 1, 2016.
- Work with the OSCIO and LFO to finalize a controlled funding release plan that is based upon completing all remaining stage gate #2 foundational documentation deficiencies, and all additional stage gate #3 requirements.
- Clearly document the plans, documents, and related schedule that DHS plans on following in preparation for asking for the balance of the project's funding in the 2016 legislative session.
- Update the business case and foundational project management documents as required.
- Submit the updated detailed business case, all project management documents, and copies of all QA vendor deliverables to the OSCIO and LFO for Stage Gate Review.

- After obtaining stage gate #3 endorsement from the OSCIO, return to the 2016 Legislature with a report, including implementation funding requirements for the SAADRWS Project.
- Work with OSCIO and LFO to conduct a formal readiness/ability assessment at stage gate #3 to validate readiness and ability to proceed. Legislative approval to proceed with the execution and implementation phase of the Statewide Adult Abuse Data and Reporting Writing System will be dependent upon OSCIO and LFO concurrence that DHS is both ready and able to initiate project execution activities.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management (PPM) System as it is deployed for all project review, approval, and project status and QA reporting activities throughout the life of the project.

**\$42 Million General Fund Senior Commitment
2015-17 Spending Plan**

Department of Human Services

Item	Item Description	Amount
A	Enhanced Oregon Project Independence (OPI) funding for individuals 60 and over	\$ 10,300,000
B	OPI pilot to expand coverage for younger persons with disabilities	\$ 6,000,000
C	Geriatric medication competency training pilot	\$ 3,300,000
	Training on Alzheimer's/dementias	
	Training for caregivers on challenging behaviors	
	First responder training on Alzheimer's/dementias	
	Increase access to caregiver training statewide	
D	Re-establish annual reporting for long term care	\$ 734,800
E	Personal Incidental Fund (PIF) from \$30 to \$100 per month	\$ 539,728
F	HB 4151 (2014) - Elder Abuse Task Force Recommendation	\$ 241,330
G	AAAs - Replace Older Americans Act lost due to sequestration cuts	\$ 2,077,127
H	AAAs - Evidence based health promotion/disease prevention	\$ 1,250,000
DHS Total		\$ 24,442,985

Oregon Health Authority

Item	Item Description	Amount
I	Geriatric/disability/mental health and addiction specialists for each county	\$ 6,153,914
J	Collect/analyze data through the Behavioral Risk Factor Surveillance System (BRFSS)	\$ 104,234
K	Lifeline Dental Network	\$ 160,000
OHA Total		\$ 6,418,148

Long Term Care Ombudsman

Item	Item Description	Amount
L	SB 1553 (2014) - Public Guardianship Program	\$ 2,171,212
LTCO Total		\$ 2,171,212

Oregon Department of Transportation

Item	Item Description	Amount
M	Enhance funding for elder and disabled transit services	\$ 9,400,000
ODOT Total		\$ 9,400,000

TOTAL - ALL AGENCIES \$ 42,432,345