

**Legislative Ways & Means Committee - April 16, 2007  
Department of Human Services - April 2007 Rebalance**

**Positive Numbers Represent Increased Need and Negative Numbers are "Savings/Solutions"**

	----- GENERAL FUND -----
	April 07 Rebalance (Millions)
<b><u>MAJOR REBALANCE ISSUES:</u></b>	
1. Change in Caseload Costs in the Division of Medical Assistance Programs (DMAP); Children, Adults, and Families Division (CAF); Seniors and People with Disabilities Division (SPD); and Public Health Division related to December 2006 Rebalance - Fall Caseload Forecast. [Please see Pages 2 & 3 for further details]	(36.31)
2. Additional GF need to achieve the Maintenance of Effort requirement for the CAF - Temporary Assistance for Needy Families Federal grant and avoid grant reduction penalties. [Please see page 4 for further details.]	24.37
3 Net Other and Federal Revenue Adjustments [Please see Pages 5-7 for further details]	7.71
4. Mental Health Program cost increases [Please see Page 8 for further details]	9.18
5. Greater cost than budgeted for DHS conversion to State Data Center [Please see Page 9 for further details.]	3.88
6. Additional GF need related to suspending the reduction of Oregon Health Plan benefits. [Please see Page 10 for further details]	1.99
7. All Other (net of rebalance problems, savings, and management actions) [Please see Pages 11-12 for further details]	(1.70)
<b>Sub-total DHS Rebalance General Fund Need</b>	<b>9.12</b>
<b>Additional General Fund requested as contingency for DHS biennial close-out.</b>	<b>0.74</b>
<b>Total DHS General Fund request - from April 2006 Special Appropriation balance</b>	<b>9.86</b>

**Legislative Ways & Means Committee - April 16, 2007  
 Department of Human Services - April 2007 Rebalance**

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	----- GENERAL FUND -----
	April 07 Rebalance (Millions)
<b><u>MAJOR REBALANCE ISSUES:</u></b>	
Remaining balance of the April 2006 Special Appropriation after the DHS December 2006 Rebalance - available for "later allocation or redirection by 2007 Legislature".	9.86
NO General Fund beyond the remaining balance of the April 2006 Special Appropriation is requested	-

Legislative Ways & Means Committee - April 16, 2007

Item #1: Summary of Changes to December 2006 Rebalance - Fall 2006 Caseload Forecast - Caseload Cost Changes

Department of Human Services

Positive Numbers Represent Increased Need and Negative Numbers Reduced Need

Item #1: Caseload / Caseload Cost changes since December 2006 Rebalance - Fall 2006 Forecast:

	LAB to Current (April 2007 Rebalance)						
	Caseloads			Cost per Case			Cost Change
	Spring 07 (Current)	Fall 06 (Dec 06 Rebalance)	% Change	Spring 07 (Current)	Fall 06 (Dec 06 Rebalance)	% Change	GF (millions)
<b>Division of Medical Assistance Programs (DMAP)</b>							
OHP Plus: Temporary Asst to Needy Families (Medical)	128,113	134,524	-4.8%	\$ 214.35	\$ 213.86	0.2%	\$ (11.24)
OHP Plus: Children (PLMC & CHIP)	114,243	114,910	-0.6%	\$ 155.30	\$ 155.90	-0.4%	\$ (0.98)
OHP Plus: Seniors & People w/ Disabilities	91,618	91,890	-0.3%	\$ 581.74	\$ 586.13	-0.7%	\$ (5.04)
OHP Plus: Poverty Level Medical Women	10,196	10,350	-1.5%	\$ 777.24	\$ 741.05	4.9%	\$ 2.76
OHP Plus: Foster/Substitute Care	17,803	18,116	-1.7%	\$ 372.43	\$ 384.29	-3.1%	\$ (2.62)
<b>Subtotal - OHP Plus Total</b>	<b>361,973</b>	<b>369,790</b>	<b>-2.1%</b>				<b>\$ (17.12)</b>
<b>Other Medical Assistance Programs</b>							
Citizen-Alien Waived Emergency Medical	18,335	18,556	-1.2%	\$ 93.05	\$ 91.33	1.9%	\$ 0.16
<b>Subtotal - Caseload &amp; Cost Changes</b>	<b>380,308</b>	<b>388,346</b>	<b>-2.1%</b>				<b>\$ (16.96)</b>
<b>Other Caseload Related Cost Issues:</b>							
Cost savings related to lower Part B Medicare "Buy-in" rates							\$ (0.84)
<b>DMAP Total</b>							<b>\$ (17.79)</b>
<b>Children, Adults, &amp; Families Division (CAF)</b>							
<b>Child Welfare (CW) Average Daily Population:</b>							
CW: Out of Home Care/Substitute Care	7,403	7,772	-4.7%			1.6%	\$ 1.35

Legislative Ways & Means Committee - April 16, 2007

**Item #1: Summary of Changes to December 2006 Rebalance - Fall 2006 Caseload Forecast - Caseload Cost Changes**

**Department of Human Services**

Positive Numbers Represent Increased Need and Negative Numbers Reduced Need

CW: Adoption Assistance Services	8,934	8,986	-0.6%			0.0%	\$	(1.15)		
<b>Self Sufficiency (SS) Families or Households</b>										
SS: Temporary Assistance for Needy Families - Basic	17,046	17,296	-1.4%			0.2%	\$	(7.25)		
SS: TANF UN (Un/underemployed parent)	900	979	-8.1%			-1.3%	\$	(0.80)		
SS: Temporary Assistance - Domestic Violence Survivors	520	540	-3.7%			0.4%	\$	0.40		
SS: Food Stamps	220,867	221,693	-0.4%			0.6%	\$	-		
SS: Employment Related Day Care	9,286	9,473	-2.0%			-0.7%	\$	(2.90)		
SS: Student Daycare	112	110	1.8%			13.5%	\$	0.10		
<b>CAF Subtotal</b>	<b>265,068</b>	<b>266,849</b>	<b>-0.7%</b>				<b>\$</b>	<b>(10.25)</b>		
<b>Other Caseload Related Cost Issues:</b>										
Field Staffing changes related to caseload							\$	(0.30)		
<b>CAF Total</b>							<b>\$</b>	<b>(10.55)</b>		
<b>Seniors &amp; People w/ Physical Disabilities - Long Term Care</b>										
In-Home	11,609	11,758	-1.3%	\$	1,089.68	\$	1,145.51	-4.9%	\$	(3.21)
Nursing Facilities	5,118	5,112	0.1%	\$	4,558.15	\$	4,525.45	0.7%	\$	2.85
Oregon Supplemental Income Program (OSIP)	49,754	49,734	0.0%	\$	5.80	\$	6.05	-4.1%	\$	(0.50)
<b>SPD Subtotal</b>	<b>66,481</b>	<b>66,604</b>	<b>-0.2%</b>				<b>\$</b>	<b>(0.86)</b>		
<b>Other Caseload Related Cost Issues:</b>										
Home Care Worker program cost savings.							\$	(6.36)		
<b>SPD Total</b>							<b>\$</b>	<b>(7.21)</b>		

**Note: Changes in GF are due to a combination of caseload changes, cost per case and other non-related caseload changes.**

**Public Health Division - AIDS Drug Assistance Program (ADAP)**

The Spring 2007 caseload forecast for the AIDS Drug Assistance program (ADAP) is consistent with the Fall 2006 forecast, which forecasted increased caseload for the ADAP program compared with LAB. However, costs to serve HIV clients within the AIDS Drug Assistance program are lower than previously anticipated due to the ability to have more clients enrolled in insurance plans that provide needed HIV drugs, and lower insurance co-payments than planned. This has reduced costs by \$275,000. In addition, \$480,701 more in funding from the Ryan White grant is available to serve these clients than planned.							\$	(0.76)
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**Item #1: TOTAL DHS - CHANGE IN CASELOADS AND CASELOAD COSTS**

**\$ (36.31)**

Legislative Ways & Means Committee - April 16, 2007

**Item #2 Additional GF need to achieve the Maintenance of Effort requirement for the CAF TANF grant**

Department of Human Services

Positive Numbers Represent Increased Need and Negative Numbers are "Savings/Solutions"

	- millions of dollars -			
	General Fund	Other Funds	Federal Funds	Total Funds
<b>Item #2: Additional GF need to achieve the Maintenance of Effort requirement for the CAF - Temporary Assistance for Needy Families Federal grant and avoid grant reduction penalties.</b>	<b>\$ 24.37</b>	<b>\$ 2.23</b>	<b>\$(31.04)</b>	<b>\$ (4.44)</b>

**DHS Division**

**Explanation of Adjustment**

The funding mix of CAF program and program support/field expenditures that are partially funded through TANF Federal Funds need to be realigned because the current mix of expenditure funding will not achieve the MOE requirement for the TANF grant. If not corrected, this will result in TANF grant reduction and penalties for the 2006-07 Federal Fiscal Year. The use of GF and TANF Federal Funds are out of alignment in these expenditures for several reasons:

1. Reductions in CAF TANF program caseloads and caseload costs do not reduce the TANF MOE requirements for state funding of TANF programs.
  
2. Changes in federal policy made during the 2005-07 biennium no longer allow state expenditures in CAF Child Welfare programs to be included toward TANF MOE. Although state fund spending was "swapped" to MOE qualified programs to help mitigate this effect, some CAF clients were found that do not qualify for the TANF program, which were previously included as MOE qualified state expenditures. This further reduced state funded expenditures that qualify for TANF MOE.
  
3. CAF TANF program and program support expenditures were front loaded as GF to help achieve TANF MOE requirements for the 2005-06 Federal Fiscal Year. During the remainder of the biennium, TANF spending was shifted to Federal Funds to avoid overspending GF. However, this jeopardizes the ability to meet the MOE requirement for the 2006-07 Federal Fiscal Year. Thus, additional GF authority is needed. Because of changes in expenditure eligibility for MOE, this entire shortfall appears in the Self Sufficiency program. It is also the reason for the increase in field and program support funding need, which is mainly Federal Funds.

**Legislative Ways & Means Committee - April 16, 2007**

**Item #3: Net Other and Federal Fund Adjustments**

**Department of Human Services**

**Positive Numbers Represent Increased Need and Negative Numbers are "Savings/Solutions"**

	General Fund	- millions of dollars - Other Funds	Federal Funds	Total Funds
<b>Item #3: The department has identified several issues affecting Other and Federal funds available for use in the 2005-07 biennium. Overall, these issues net to \$7.7 million GF need, a reduction of Federal revenues available for the 2005-07 biennium to the previous estimate, and the need of additional Other Fund limitation.</b>	<b>\$ 7.71</b>	<b>\$ 3.42</b>	<b>\$ (7.19)</b>	<b>\$ 3.94</b>

DHS Division	Explanation of Adjustment	General Fund	Other Funds	Federal Funds	Total Funds
Administrative Services Division	1. Upon review and realignment of the budgeted fund splits (General Fund, Other Funds, and Federal Funds) to the actual fund split outcome from the DHS federally approved cost allocation plan, an adjustment of funding mix in the ASD budget is needed. The actual federal funding resulting from cost allocation and direct charged expenditures is lower than planned in the ASD budget.	\$ 3.51	\$ 1.81	\$ (5.32)	\$ -
Children Adults & Families	2. Additional Child Care Development Funds (CCDF) Other Fund revenues are available for use in the Student Daycare program, reducing the need for GF in this program.	\$ (0.08)	\$ 0.08	\$ -	\$ -
Division of Medical Assistance Plans	3. DMAP Hospital Settlement Other Fund revenues are projected below the budgeted level because the time needed to complete the settlements has increased. Agreement on settlement methodology with the hospitals has delayed the process and the receipt of hospital information needed for settlement calculations. The settlement process has become more complex and time consuming with the introduction of the Hospital Provider Tax and the multiple Diagnostic Related Group (DRG) rate/program changes that have occurred this biennium.	\$ 1.82	\$ (1.82)	\$ -	\$ -
Division of Medical Assistance Plans	4. Revised Tobacco Tax revenue estimates by the Department of Economic Analysis are higher than estimated within the LAB.	\$ (0.33)	\$ 0.33	\$ -	\$ -

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**Item #3: Net Other and Federal Fund Adjustments**

**Department of Human Services**

**Positive Numbers Represent Increased Need and Negative Numbers are "Savings/Solutions"**

		- millions of dollars -			
		General Fund	Other Funds	Federal Funds	Total Funds
Addictions and Mental Health Division	5. Fewer OSH patients have been Medicaid eligible than forecasted resulting in less federal participation in OSH operation costs. The current LAB assumed a greater number of clients would be eligible for Medicaid match than has actually been achieved, resulting in the shortfall of Federal Funds and the need for additional GF.	\$ 2.38	\$ -	\$ (2.38)	\$ -
Addictions and Mental Health Division	6. A shortfall of Other Fund revenues needed to fund the OSH budget has created a need for additional GF. Declines in Other Fund revenues such as Medicare and patient medical insurance payments have increased the need for GF for OSH expenditures. OSH is accounted for as an enterprise fund, which makes the tracking and monitoring of the flow of funds through OSH more complex and difficult. As a result, this revenue shortfall was not identified and addressed earlier in the biennium. This shortfall in OSH Other Fund revenues is largely the result of fewer clients that are eligible for Medicare reimbursed services or have private insurance than planned.	\$ 6.29	\$ (6.29)	\$ -	\$ -
Addictions and Mental Health Division	7. The new Medicare Part D benefits, which provide comprehensive prescription drug benefits for individuals who are seniors and/or people with disabilities is being received by OSH this biennium, reducing the need for GF. This is a new funding source, which was not considered when developing the OSH budget.	\$ (0.60)	\$ 0.60	\$ -	\$ -
Addictions and Mental Health Division	8. Alcohol and Drug Other Fund revenues have exceeded budget due to receipt of greater Oregon Liquor Control Commission Beer and Wine revenue than planned. The department is recommending the use of this funding to rebalance the budget and is requesting additional Other Funds limitation to use these funds. These additional Other Fund revenues would be used to fund evidence based Alcohol and Drug programs, displacing the need for GF, making it available to use elsewhere in the department to rebalance its budget.	\$ (3.50)	\$ 3.50	\$ -	\$ -

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**Item #3: Net Other and Federal Fund Adjustments**

**Department of Human Services**

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		- millions of dollars -			
		General Fund	Other Funds	Federal Funds	Total Funds
Seniors and People with Disabilities	9. An analysis of SPD revenues biennium-to-date has identified an increase in Care of State Ward Other Fund revenue. Additional Other Funds limitation is requested to recognize this additional SSI (Room and Board) revenue. Since the majority of this program is fully funded by pass-through Care of State Ward Other Funds, this increase in Other Funds has a limited offset to GF.	\$ (0.30)	\$ 4.24	\$ -	\$ 3.94
Seniors and People with Disabilities	10. An analysis of SPD revenues biennium-to-date has identified an increase in Estate Administration Recovery revenue. Recoveries have exceeded earlier expectations and this additional revenue can be used to reduce the GF need within SPD.	\$ (0.97)	\$ 0.97	\$ -	\$ -
Seniors and People with Disabilities	11. The Home Care Workers Spousal program was added to the Aged and Physically Disabled Medicaid waiver effective with the October 2006 State Plan Amendment. This allows the program to be charged to the Medicaid program at the Federal Medicaid match (FMAP) rate rather than 100 percent GF. This new federal funding for this program reduces the GF need.	\$ (0.50)	\$ -	\$ 0.50	\$ -

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**Item #4: Mental Health Program Cost Increases**

**Department of Human Services**

**Positive Numbers Represent Increased Need and Negative Numbers are "Savings/Solutions"**

- millions of dollars -

		General Fund	Other Funds	Federal Funds	Total Funds
<b>Item #4: Mental Health Program costs are exceeding budget. Staffing, Contract Nursing, and other costs associated with patient care are higher than anticipated. A higher patient count and efforts to improve staff to patient ratios and address other patient care issues contribute to these higher costs.</b>		<b>\$ 9.18</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9.18</b>
<b>DHS Division</b>	<b>Explanation of Adjustment</b>				
<b>Addictions and Mental Health Division</b>	<b>Personal Services and Service and Supply costs at OSH are exceeding the budgeted levels. Because the number of patients at OSH is over the budgeted level, and the need to ensure patient safety and improve staff-to-patient ratios agreed to in the Harmon Lawsuit settlement, Personal Services overtime and differential pay costs have increased. This has also driven higher Professional Services costs for contracted nursing services to maintain minimal nursing coverage and to address the Federal Civil Rights of Institutionalized Persons Act (CRIPA) review of OSH.</b>	<b>\$ 7.32</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7.32</b>
<b>Addictions and Mental Health Division</b>	<b>Costs for contracted Medical Professional Services and drugs at the Eastern Oregon Psychiatric Center (EOPC) are exceeding the budget. This is largely due to higher inflationary cost increases in these areas than budgeted. Costs for these Services and Supplies have increased an average of 6.7 percent during the 2005-07 biennium. The standard budgeted inflation rate of 3.1 percent was assumed in the 2005-07 budget. EOPC has instituted cost containment efforts to offset the higher cost for these Services and Supplies, but will not be able to fully mitigate the higher cost requiring additional GF.</b>	<b>\$ 1.86</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1.86</b>

Legislative Ways & Means Committee - April 16, 2007

**Item #5: Greater cost than budgeted for DHS conversion to State Data Center**

Department of Human Services

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	- millions of dollars -			
	General Fund	Other Funds	Federal Funds	Total Funds
<b>Item #5: The DHS rebalance plan includes one-time additional cost than budgeted for DHS conversion to State Data Center</b>	<b>\$ 3.88</b>	<b>\$ -</b>	<b>\$ 3.88</b>	<b>\$ 7.75</b>

<u>DHS Division</u>	<u>Explanation of Adjustment</u>					
Administrative Services Division	Costs incurred by DHS related to the conversion to the new State Data Center (SDC) have been greater than the business case anticipated for this project. Assumptions regarding the amount and timing of the transfer of costs from DHS to the SDC were not achieved, resulting in greater cost incurred or remaining at DHS than budgeted. Specifically, these include:					
	1) Personal Services - delays in the transfer of DHS staff to the SDC resulted in more Personal Services costs incurred at DHS than planned.	\$ 1.03	\$ -	\$ 1.03	\$ 2.06	
	2) System software and hardware maintenance contract costs were under estimated in the SDC plan and the excess costs for these services remained in DHS.	\$ 1.31	\$ -	\$ 1.31	\$ 2.63	
	3) Other Services and Supply costs related to the services transferred to the SDC have also been higher than planned.	\$ 0.95	\$ -	\$ 0.95	\$ 1.90	
	4) Costs at the SDC have increased faster than planned, resulting in a net increase in the SDC assessment to DHS.	\$ 0.58	\$ -	\$ 0.58	\$ 1.16	

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**Item #6: Additional GF need related to suspending the reduction of Oregon Health Plan benefits.**

Department of Human Services

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	- millions of dollars -			
	General Fund	Other Funds	Federal Funds	Total Funds
<b>Item #6: Additional GF need related to suspending the reduction of Oregon Health Plan benefits.</b>	<b>\$ 1.99</b>	<b>\$ -</b>	<b>\$ 3.15</b>	<b>\$ 5.14</b>

<u>DHS Division</u>	<u>Explanation of Adjustment</u>				
Division of Medical Assistance Plans	The LAB for 2005-07 included Oregon Health Plan (OHP) benefit reduction actions within the DMAP budget to reduce expenditures. These actions include the elimination of vision coverage for adults, a reduction in dental services, limitations to over-the-counter drugs coverage, and limiting the number of hospital days covered to 18 days. The savings from these actions were initially based on a July 1, 2006, implementation date, however, CMS did not approve these changes until September 12, 2006. The December 2006 Emergency Board approved an adjustment to the DMAP budget to move implementation of these cost savings actions to February 1, 2007. Subsequent to the December 2006 Emergency Board action, Legislative leadership asked the department to stop the cost saving benefit reduction actions, and SB 1041 will be used to repeal these benefit reductions. This will increase DMAP costs for the remainder of the 2005-07 biennium and create a need for additional GF for the DMAP budget.	\$ 1.99	\$ -	\$ 3.15	\$ 5.14

Legislative Ways & Means Committee - April 16, 2007

**Item #7: All Other (net of rebalance problems, savings, and management actions)**

Department of Human Services

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	- millions of dollars -					
	General Fund	Other Funds	Federal Funds	Total Funds	Pos	FTE
<b>Item #7: Net other rebalance issues - problems, savings, &amp; management actions</b>	<b>\$ (1.70)</b>	<b>\$ (3.12)</b>	<b>\$ 15.00</b>	<b>\$ 10.17</b>		

Larger Rebalance Issues include:

	DHS Division	<u>Explanation of Adjustment</u>									
1	Administrative Services Division	Because of the lag in receipt of some Other Fund revenues (including Provider Tax and Tobacco Tax), GF is initially used to fund those program areas that are fully or partially funded by these Other Funds. Once the Other Funds are received, these expenditures are converted to Other Funds and the GF is returned. Because the department will not have sufficient GF availability at the end of the biennium to fund the Other Funds lag in receiving these revenues, a line of credit is proposed from Treasury to fund these Other Funds programs in lieu of GF until the Other Funds are received. Once the Other Funds are received, the line of credit is repaid. This type of financing arrangement is estimated to cost the department additional interest expense and thus additional GF is needed.	\$	0.45	\$	-	\$	-	\$	0.45	-
2	Administrative Services Division	A savings of budgeted GF for Debt Service expenditures on two systems projects (Medicaid Management Information System and the State Automated Child Welfare Information System) funded through Certificate of Participation (COP) reduces GF need in ASD. Funding needs for these projects during the 2005-07 biennium have been lower than planned, fewer COP funds have been drawn resulting in the savings of Debt Service expenditures.	\$	(1.51)	\$	-	\$	-	\$	(1.51)	
3	Children Adults & Families	The U.S. Supreme Court declined to hear Oregon's appeal of the Ninth Circuit Court decision in the ASW vs. Oregon case. The Ninth Circuit determined that the plaintiffs could sue in federal court for violation of their alleged statutory rights, which were affected by an across-the-board 7.5 percent reduction in adoption assistance payments in 2003. It is expected that the reimbursements to plaintiffs will occur in 2005-07, resulting in a GF need.	\$	1.10	\$	0.00	\$	1.06	\$	2.16	
4	Children Adults & Families	The CAF Other Tribal program budget was erroneously funded with General Fund. This program is actually a federally funded program and this action corrects the CAF budget to reflect the actual funding of the Other Tribal program.	\$	(1.17)	\$	-	\$	1.17	\$	-	

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**Item #7: All Other (net of rebalance problems, savings, and management actions)**

Department of Human Services

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		- millions of dollars -					
		General Fund	Other Funds	Federal Funds	Total Funds	Pos	FTE
5	<p><b>Children Adults &amp; Families</b></p> <p>CAF Field costs and program support costs are projected to exceed the LAB due to higher professional services costs, additional cost associated with new state-wide training of Child Welfare caseworkers, and higher Attorney General (AG) charges than planned. A general reduction of the Services and Supply expenditure budget made in the LAB for 2005-07 was partially allocated to Professional Services. Because part of the Professional Services budget was contractually obligated, these reductions could not fully be achieved. The Oregon Child Welfare Safety Model training for DHS Child Welfare caseworkers was recommended by the "Holder Study" and has driven In-state travel, employee training, and office expenditures over budget. While CAF caseloads are generally declining, DHS has actually seen an increase in appellate services and termination of parental rights cases, which resulted in an increase in AG expenditures.</p>	\$ 1.77	\$ (1.41)	\$ 16.72	\$ 17.08		
6	<p><b>Division of Medical Assistance Plans</b></p> <p>One-time DMAP administrative costs savings are projected from delays in the implementation of several Professional Services contracts during the biennium. These include contracts with McKessen (disease hot line contract) and First Health (pharmacy management contract). Savings are one-time because these contracts are now in place and expected to continue through the 2007-09 biennium.</p>	\$ (0.50)	\$ -	\$ -	\$ (0.50)		
7	<p><b>Seniors and People with Disabilities</b></p> <p>The SPD rebalance plan includes a \$650,550 GF savings from position vacancies and an additional \$1.25 million GF savings in Service and Supply costs since the December 2006 Rebalance. The SPD administrative budget will be managed within the remaining budget level during the remainder of the biennium, allowing these one-time savings to be recognized at this time.</p>	\$ (1.90)	\$ -	\$ -	\$ (1.90)		
8	<p><b>Seniors and People with Disabilities</b></p> <p>The Office of Inspector General (OIG) DDS audit has disallowed federal expenditures deemed "unallowable indirect charges" from October 1999 through June 2004 in the amount of \$3.8 million. The department has paid this disallowance, but is also appealing it. The December 2006 rebalance plan assumed that \$1.3 million of this disallowance would not be reversed and additional GF was requested and approved to backfill this amount. Since the appeal will not be determined until after the close of the 2005-07 biennium, the remaining \$2.4 million is included in this rebalance plan. If DHS subsequently receives a refund of the disallowance, it would be an offset to GF in the 2007-09 budget.</p>	\$ 2.41	\$ -	\$ -	\$ 2.41		