

**Department of Human Services Program Area Spending Changes
Summary of Changes to the 2005-07 Governor's Recommended Budget**

Seniors and People with Disabilities - overall net costs of \$91.5 million:

| Costs: | (dollars in millions) |
|--|-----------------------|
| Caseload and cost per case adjustments | \$34.6 |
| Correct funding of OPI | \$6.2 |
| Other Fund revenue shortfall adjustment identified in April 05 rebalance | \$18.1 |
| FMAP correction | \$5.3 |
| Revised estimate of restructuring the Home Care program | \$9.1 |
| Revised estimate of Relative Foster Care action | \$13.2 |
| LTC Waiver cap revised estimate | \$5.4 |
| MMA adjustments | \$3.8 |
| Reduce capacity of medically fragile children's services | \$1.8 |
| Personal care for DD clients only available thru waived services | \$1.9 |
| Revised estimate to achieve Nursing Facility 70 th percentile payment level | \$2.5 |
| Impact on SPD clients from HS elimination of dental | \$1.7 |
| Revenue adjustment related to disabled adult children treatment of income per CMS determination | \$1.0 |
| Misc issues | <u>\$3.3</u> |
| sub-total revised costs | \$107.9 |
| Savings: | |
| DD settlements from prior biennia | (\$6.8) |
| Revised staff estimates | (\$5.0) |
| FMAP change | (\$3.9) |
| Misc issues | <u>(\$0.6)</u> |
| sub-total revised savings | (\$16.4) |
| SPD total changes | \$91.5 |

Children, Adults and Families - overall net costs of \$1.3 million;

| Costs: | (dollars in millions) |
|--|-----------------------|
| Other Fund adjustment identified in April 05 rebalance | \$2.9 |
| Adjustment to Vocational Rehab services reduction | \$0.7 |
| Assessment of Food Stamp QC penalty | \$0.6 |
| Misc issues | <u>\$0.6</u> |
| sub-total revised costs | \$4.8 |
| | |
| Savings: | |
| Adoption Assistance program savings | (\$2.7) |
| FMAP update | (\$0.6) |
| Misc issues | <u>(\$0.3)</u> |
| sub-total revised savings | (\$3.5) |
| | |
| CAF total changes | \$1.3 |

Department Wide Support Services - overall net savings of \$1.6 million;

| Costs: | (dollars in millions) |
|--|-----------------------|
| Federal and Other Fund adjustment identified in April 05 rebalance | \$9.6 |
| Misc issues | \$1.9 |
| sub-total revised costs | \$11.5 |
| | |
| Savings: | |
| Pension Bond Contribution technical correction | (\$12.0) |
| Child Welfare Information System (SACWIS) | (\$1.0) |
| Misc issues | (\$0.1) |
| sub-total revised savings | (\$13.1) |
| | |
| DWSS total changes | (\$1.6) |

Health Services - overall net savings of \$25.1 million;

Costs:

(dollars in millions)

| | |
|---|--------------|
| Tobacco Tax revenue shortfall | \$10.2 |
| MMA adjustments | \$0.2 |
| Family Planning Expansion Program funding | \$1.6 |
| OMHAS restore action to close 3 OSH Geropsych wards | \$3.0 |
| OMHAS Community placements for adolescents | \$3.1 |
| OMHAS caseload changes - increase in criminal committed | \$2.8 |
| Impact of SPD Elimination of Employment Initiative | \$2.8 |
| Impact of SPD Elimination of General Assistance | \$6.1 |
| Impact of SPD HCBS waiver cap on OHP | \$1.8 |
| Eliminate payments for Graduate Medical Education | \$1.0 |
| Higher than anticipated Part B premiums for non-OHP clients | \$1.6 |
| PH - Loss of federal funding of Health Services block grant | \$1.0 |
| Misc issues | <u>\$1.5</u> |
| sub-total revised costs | \$36.8 |

Savings:

| | |
|--|----------------|
| OMAP final Actuarial per capita rates | (\$24.3) |
| OHP caseload | (\$13.8) |
| OMAP HIV and Transplant | (\$3.9) |
| Decrease managed care capitation rate component for DRG hospital reimbursement | (\$1.1) |
| Eliminate OHP Plus Dental (1.2) and Vision (0.5) | (\$1.7) |
| OMHAS caseload changes - decrease in civil committed | (\$1.2) |
| FMAP change | (\$5.4) |
| CHIP adjustment from Nov '04 budget not included in GRB | (\$2.2) |
| OHMAS actions to replace closure of Gero wards | (\$3.0) |
| Reduce community mental health \$1.5 mil | |
| Reduce intermediate care payment \$1.5 mil | |
| OSH closure of adolescent ward 40A | (\$3.1) |
| Misc issues | <u>(\$2.1)</u> |
| sub-total revised savings | (\$61.9) |

HS total changes (\$25.1)

Total DHS - Reshoot of GRB \$66.2

Other Policy Issues which may affect the Governor's Budget

| | |
|--|---------|
| CAF Non-mandatory caseload growth and cost per case adjustments not anticipated in GRB (TANF, ERDC, NM Substitute Care) | \$25.4 |
| JOBS revenue backfill 3.2 mil, caseload savings \$2.0 net cost (savings of \$5.1 million projected for 2007-09) | \$1.2 |
| Use of TURA funds within OHP rather than for prevention programs (these funds not required if '05 legislature adopts statutory suggestion included in GRB) | \$9.9 |
| Resolution of Medicare Upper Payment Level negotiations with CMS | pending |