

## OPC State Funding Reduction Narrative

OPC is absolutely committed to the integrity of our service system, and to making sure we are communicating with stakeholders and working with all parties to come up with a plan that is fair and protects services to consumers as much as possible. We have worked very hard over the last three weeks to get information out to our communities and answer questions as they have been raised.

OPC initially began preparing for the impending cuts in the spring of fiscal year 2009. We took actions in preparation of the reductions such as a 10% cut in the majority of provider contracts for FY10, a 50% cut in DD residential providers and a meeting with these providers to discuss the reductions, and revised benefit plan in anticipation of the changes. Since receiving our allocation we have given the OPC Board an overview (September 14th meeting), and provided an overview to CFAC (September 17th meeting.) A special meeting of CFAC was held on October 1<sup>st</sup> specifically to go over the budget and the plan for how to distribute cuts within our service system. CFAC members stated that that it was clear that the plan made every attempt to cut and reduce spending in areas that would have the least impact on consumers, and they were very appreciative. In addition, they have given input on ways our providers can handle some of the reductions, have encouraged ongoing dialogue with our providers about the impact this will have on programs, and have indicated that they are now even more committed to their peer support initiative efforts in light of the cuts to the formal service system.

A Q & A document was posted on our webpage, distributed to Board members, county partners, our provider network, and OPC staff on September 17<sup>th</sup> and will be updated and redistributed periodically. OPC staff have been instructed to discuss the key points in the Q & A at all committee meetings, care review meetings, or community forums which they attend over the next two weeks. Judy Truitt, Area Director, and Lisa Lackmann, OPC's System of Care Coordinator held a work session with Orange & Chatham County DSS Directors, School Superintendents, Health Directors, GAL representatives, & DJJ representatives on September 21st. We have offered the same opportunity to agency directors in Person County. We are also attempting to schedule a meeting with our local judges.

Two provider meetings were scheduled for Tuesday September 29<sup>th</sup> (9:00am and 1:00pm) to discuss budget issues and start the process of identifying the impact of the reductions to our system. Due to unforeseen circumstances these had to be cancelled but will be rescheduled as soon as possible. Providers have been asked to come prepared to discuss both the effects of the cutbacks on their programs and how it will impact consumers, as well as ideas and recommendations they have for how to mitigate the cuts to the greatest degree possible. Staff have had numerous ongoing discussions with individual providers to discuss the reductions and have been asked to track all contacts that they have with consumers, families, providers, etc. related to budget issues. The Q&A and budget information was also sent to each of OPC's legislative representatives in order to keep them informed of the impact of the reductions on their communities.

#### The Task:

- Develop a plan to reduce funding by \$2,250,518, which represents approximately 21.5% of OPC's non-crisis state service funds

#### The Conditions:

- Reductions can only be made in state funds - federal funding cannot be reduced
- Crisis funding (Mobile Crisis and Walk-In Crisis) cannot be reduced
- Cannot further reduce funding to Cross Area Services Programs (CASP), which were already cut 10.3%
- Some adjustments already made at the state level
  - \$928,923 cut from DD funds due to CAP/MR-DD reductions
  - \$110,666 cut from Child MH (CTSP) funds due to non-core reductions

#### Prior Efforts:

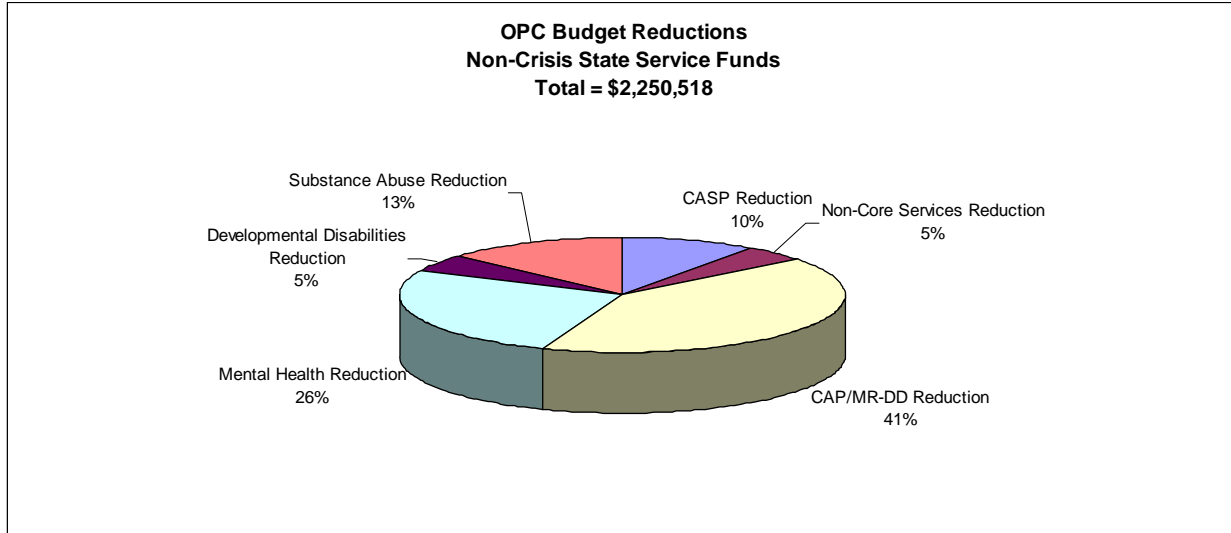
- Initial FY '10 contracts issued to majority of providers contained 10% reduction
- Initial FY '10 contracts issued to DD residential providers contained 50% - 56% reduction in anticipation of CAP/MR-DD cuts
- Benefit plan revised as of 7/1/09 in anticipation of budget cuts (see attached)

#### The Goals:

- Preserve services wherever possible to reduce impact on consumers
- Spread cuts as evenly as possible across disability groups
- Attempt to not jeopardize the stability of providers
- Maintain funding for crisis services at current level

#### The Results:

- \$2,250,518 reduction taken as described in chart below:



- County funds were not used to cover the reduction as OPC had already allocated 67% of its county funds to services. Additionally, in anticipation of the budget cuts, OPC moved \$350,000 of county money into Adult Mental Health services at the beginning of the fiscal year, bringing the total percentage of county funds allocated for services in FY '10 to 82%.
- Fund balance was also not used to cover the reduction as OPC does not currently have fund balance that exceeds the statutory minimum and would, therefore, be available for other purposes.
- LME funds will be used to cover a position previously paid for by state non-UCR funds (see Adult MH non-UCR below). OPC is also committed to utilizing additional LME administrative dollars in the future if available.

**Developmental Disabilities**

- Overall reduction of \$1,039,522 (10% of OPC's total non-crisis state funds)
- Adult DD UCR Funds
  - Approximately 50% reductions to residential providers due to CAP/MR-DD issue
  - 20.5% reductions in adult DD UCR funds in provider contracts
    - Affects providers offering Adult Day Vocational Programs (ADVP) Supported Employment, Respite and Personal Assistance
  - 21% reduction in Developmental Therapy
  - 10% reduction in Long Term Vocational Supports
- Child DD UCR Funds
  - 20.5% reductions in child DD UCR funds in provider contracts
    - Affects providers offering Developmental Day, Respite and Personal Assistance
  - Amount of funding for Developmental Therapy will be frozen at current level

- MR/MI Funds
  - Reduction of 10% to providers with MR/MI funds in their contracts
  - 5% rate cuts for most MR/MI services
    - Affects providers who serve specific dually diagnosed (MR/MI) consumers and includes residential services, community respite and day supports
- DD Non-UCR Funds
  - 10.5% reduction in DD Non-UCR funds in provider contracts and 44% reduction in DD Flex Funds (used to cover unmet needs for state funded DD consumers)

## **Mental Health**

- Overall reduction of \$740,788 (7% of OPC's total non-crisis state funds)
- Adult MH UCR Funds
  - Provider contracts previously reduced 10% and most of funds previously unallocated will be returned to state
  - Benefit plan revised (see attached)
- Adult MH Non-UCR Funds
  - Reduced 33%
    - Decreases funding available to support flex funds (transportation, deposits, medication needs, etc.) for consumers with MH diagnoses
    - Housing Coordinator position previously supported with these funds will now be covered by LME administrative dollars
- Adult MH CASP Funds
  - Statewide funding reduced 10.3%
    - Affects OPC's regional Deaf Services and a provider with residential and supported employment services
- Child MH UCR Funds
  - Provider contracts previously reduced 10% and most of funds currently unallocated will be returned to the state – historically the most under-utilized funds due to availability of Medicaid for majority of children
  - Benefit plan revised (see attached)
- Child MH Non-UCR Funds
  - Eliminates flex funding, training funds, early intervention funding, and funding for short-term suspension program in Orange County
  - Reduces funding for family advocacy, screenings, independent living program and day treatment

- Maintains the highest priorities as determined by Community Collaboratives: Rapid Response, School Based Mental Health, and family advocacy initiatives
- Other MH Funds
  - Eliminates public psychiatry funding (supports some administrative functions and consultation by psychiatrists)

### **Substance Abuse**

- Overall reduction of \$470,208 (4% of OPC's total non-crisis state funds)
- Adult SA UCR Funds
  - Eliminates funding to provide facility based crisis services outside of catchment area – historically under utilized as same service is available within OPC catchment area
  - Reduces historically underutilized funding available to providers of SA services
  - Benefit plan revised (see attached)
- Adult SA Non-UCR Funds
  - Reduced 54%
    - Decreases funding available to support housing, transportation and medication needs of consumers with SA diagnoses
- Adult Criminal Justice Offenders Funds
  - Reduced 32%
    - Historically underutilized funding
- CASP SA Funding
  - Statewide funding reduced 10.3%
    - Affects residential services to women with SA diagnoses
  - Remaining CASP funding may be used to offset other SA reductions

## OPC Benefit Plan Revisions

In anticipation of budget cuts, changes were made to the OPC IPRS benefit plans reducing outpatient services effective 7/1/2009:

- Adult MH basic benefits were reduced from 26 to 8 individual sessions (69% cut) and from 52 to 12 group sessions (77% cut) for each consumer for the fiscal year.
- Adult SA benefits were reduced from 26 individual sessions to six (76% cut) and from 52 to 24 group sessions (54% cut) per fiscal year.
- All adults must meet much more restrictive criteria to qualify for CSS and the units have been reduced. Many individuals who might have qualified for this service in the past no longer do so. This has resulted in a drop from 344 consumers having been authorized for this service last fiscal year to 105 at present, a 69% decrease.
- An exception to cuts in the Adult SA benefit plan is for consumers referred by TASC (Treatment Accountability for Safer Communities). Services for this population have not been reduced.
- Child MH benefit benefits were reduced from weekly individual and group therapy to no more than 26 sessions per year of each of those services, a 50% cut.
- CS Support for children is somewhat more restrictive; now only those children who are at risk of imminent out of home placement qualify for the larger amount of units.
- No significant changes were made to the Child SA Benefit Plan.
- All other services such as Psychosocial Rehabilitation (PSR), residential, etc, have suffered de facto reductions as a result of fewer funds being allocated to the providers of these services.
- All providers are encouraged to link consumers with natural and community resources early in treatment, to develop solid crisis plans with each consumer and to inform consumers of the process for accessing crisis services.
- Adult Developmental Therapy (DT) reduced from 20 hours per week to no more than 15 hours per week per consumer for the fiscal year.
- Child DT reduced from 20 hours per week to no more than 12 hours per week per consumer for the fiscal year.
- Limited ADVP to 7 hours per day for each consumer for the fiscal year.
- In compliance with new legislation, no longer authorize state funds to support CAP-MR/DD waiver recipients (unless exception criteria is met.)

In response to Implementation Update #60:

- No new consumers will be authorized for Community Support Services as of 9/16/09 with the exception of consumers recently discharged from a state psychiatric hospital.

- All current authorizations for Community Support Service will end on 12/31/09.