

# *Public Policy Update*

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*From Steve Larson, Public Policy Director*



## ➤ *Caution: Legislation Being Made;*

### *House Health and Human Services Bill One Step in Legislative Process*

The Minnesota House of Representatives released its Health and Human Services (HHS) Omnibus bill (HF 2614) on Monday, April 26th. The House Health and Human Services Finance Division spent Tuesday, April 27<sup>th</sup> taking testimony on the bill, which extended into early morning on Wednesday the 28th. Steve Larson, The Arc of Minnesota Public Policy Director, and Kurt Rutzen, Volunteer Public Policy Advocate for The Arc of Minnesota, testified.

This bill is the latest step in the process of approving a health and human services budget for this Legislative Session. The Minnesota Senate plans to unveil its health and human services bill tomorrow, April 29. These two bills will go to the floor of their respective chambers, be reconciled in a House and Senate conference committee, and then go to the Governor for his signature or veto. The House committee work this week is only one step in the eventual passage of a health and human services spending bill.

The House's proposal heard yesterday would cut health and human services programs to save \$154 million in the state's General Fund for the remainder of the biennium, which ends June 30, 2011. There are some provisions in the House bill that will negatively impact people with disabilities, and others that are improvements over the Governor's bill.

The overall level of cuts in the House proposal was less than the Governor's \$346 million in proposed cuts to health and human services. The House budget proposal assumes that Minnesota will receive \$408 million from the federal government to extend the Federal Medical Assistance Percentage (FMAP) to Minnesota. There is still uncertainty about whether Congress will approve that funding in time before the Legislature officially adjourns on May 17th.

#### *Details About the House Bill*

The bill had included a one percent cut to provider rates, effective July 1, 2010 through June 30, 2011. The cut would have affected home- and community-based services, nursing homes, and day programs. However, Rep. Huntley offered an amendment at the hearing to eliminate that provider rate, which passed.

The Arc of Minnesota had proposed its Community Counts! Initiative as an amendment to the bill, too, and this amendment passed as well. Community Counts! will bring together stakeholders in the disability community to set goals and benchmarks for Minnesota so that more people with developmental disabilities are working, learning, living independently in the community, and having a greater say in the services they receive. The initiative will also focus on services that not only help persons live independently, but can help us save tax dollars as well in the midst of another budget crisis. After more amendments were debated, the House committee passed the bill at 1:00 a.m. Wednesday morning.

*Here are some of the other specific provisions in the House bill:*

- One-year funding (\$100,000) for the Region 10 Quality Assurance Project. Funding for this project was eliminated last year.
- No new cuts to dental services. The bill renews funding for Critical Access Dental and continues to fund state-operated dental services. The Governor's budget eliminates funding for these.
- Limited cuts to physical, occupational, or speech therapy - cuts that are less severe than the Governor's.
- The same cap on new "slots" for waived services as in the Governor's bill.
- Many cuts to adult and child mental health programs and grants. Some are slated for elimination.
- A mandate that autism services be covered under private health insurance policies.
- An increase in parental fees for those above the 556% federal poverty level (\$120,000 annual income).
- Supplemental Security Income grants will not be counted when calculating a family's grant under the Minnesota Family Investment Program. The Governor's budget does count the SSI payment when figuring MFIP grants.
- An increase in premiums for those on the Medical Assistance for Employed Persons with Disabilities (MA-EPD) program.
- An expansion of Medical Assistance to provide coverage to low-income Minnesotans who are currently on General Assistance Medical Care (GAMC). This proposal would replace the agreement reached earlier this session to revamp the GAMC program.
- Cuts to county social services grants.
- The PCA worker limit of 275 hours a month passed last year through unallotment would not be made permanent.

The bill uses a surcharge on HMOs that would leverage additional federal money for a net of \$80 million to the state. While this bill balances the general fund, it would leave a sizable deficit in the separate Minnesota Care fund. Rep. Huntley acknowledged that that deficit would have to be addressed in 2011.

While the overall dollar amount in cuts is smaller in the House proposal than the Governor's, and while some programs are spared the level of cuts that the Governor proposes (or spared cuts completely), there are still cuts, including significant cuts to mental health programs. If approved, these would be added to the millions of dollars in budget cuts, fee hikes, and funding shifts that have taxed people with disabilities and their families over the past seven years. We would have liked the House proposal to include even fewer cuts, especially to those programs that help people with disabilities become more independent and support families.

In a related development, the Department of Human Services has delayed closure of state-operated dental services until June 1, 2010. Originally slated to close on May 1, 2010, the services will be kept open for an additional month to see what action the House and Senate take on their status during deliberations on health and human services in May.

As mentioned above, the House's proposal is its initial attempt at approving a health and human services bill. Proposals in the House and/or Senate are likely to change in the coming weeks. This is only one step in the process. Stay tuned. We'll keep you updated and ask you to take action as needed.