



Senate Appropriations I: Subject Matter Hearing on the Department of Human Services FY17 Budget Request

March 16, 2017

IARF Written Statement

IARF is a statewide association of community-based providers serving children and adults with intellectual/developmental disabilities and mental illnesses. Our members provide these services in over 900 locations throughout Illinois, from Galena to Karnak, and from Danville to Quincy.

Given the prevailing uncertainty the current budget impasse has created, it is difficult to view the Department's proposed FY17 budget in isolation. For context:

- Although the courts have ensured payment for Medicaid services and services outlined in consent decrees, there are no GRF FY16 appropriations for these services in place;
- some organizations continue to provide grant funded services through contract (with growing concern about actual payments);
- there are ongoing discussions focused on trying to preserve some grant funded services in ways that may garner Medicaid matching funds; and
- the ongoing uncertainty of whether an FY16 budget will be legislated by the end of the fiscal year.

These concerns factor into the difficulty the Association has in analyzing the proposed FY17 budget, as decisions agencies might have to make to implement the proposed budget are tied to ongoing uncertainty with the current fiscal year.

It is IARF's continued position and recommendation that the Governor and the General Assembly negotiate a compromise that resolves the current FY16 budget impasse, the result which should include sufficient revenues to invest in core and essential community-based services and supports for children and adults with intellectual/developmental disabilities and mental illnesses. With this basis of agreement, we believe both branches of Government can work constructively on an FY17 budget that addresses the following priorities:

- Mitigates the Direct Support Professional (DSP) Workforce Crisis facing developmental disability services providers across the state, by investing in DSP wages in benefits as outlined in SB 2952, thus providing a path for organizations to address the ability to serve more individuals in the community;
- Reverses the reduction in service capacity in the community mental health system through targeted investment in community mental health rates for services and supports, which will lead to better outcomes of individuals and reduced costs to the state;
- Ensures grant funded services and supports that simply can't garner Medicaid match are kept in place to ensure wraparound care is in place and that individuals remain in the community.
- Ensures the state's compliance with consent decrees.
- Provides a solid foundation for compliance with the Federal Medicaid Access to Care Rule and the person-centered focus of the home and community-based services rule.

We believe the Governor and the Department – as evident by some observations on the proposed budget highlighted below AND the General Assembly are committed to ensuring access to quality community-based services and supports for persons with intellectual/developmental disabilities and mental illnesses, but that commitment can't be met while the impasse is in place. In this environment, services to Illinois families have eroded and are at risk.

With these overarching statement regarding the proposed FY17 budget, we provide the following observations and questions by Divisions that fund community services:

Division of Developmental Disabilities

Observations:

- We don't believe the Division has outlined proposed rate cuts for FY17. Furthermore, it appears as if the Division proposes to fund respite services for FY17. We view this as a positive step given the proposed FY16 budget included rate cuts to the ICFDD program that would've been unsustainable.
- We believe the Division has additional appropriations to meet *Ligas* requirements, fund annualizations, and movement of individuals from DCFS to the Division funded services.
- We are concerned the Division does not propose to restore funding for core and essential grant funded services, including epilepsy, dental, and the Autism Program.

Questions:

- From FY15 to proposed FY17, the number of individuals receiving non-Medicaid services funded by the Division dropped by 4,639 individuals. Can the Division clarify this figure – is it tied to individuals no longer receiving grant funded services?
- Appropriations for the state operated developmental centers (SODCs) would increase \$11.2 million, yet the Division proposes to reduce the SODC census by 57. Can the Division clarify the nature of this increase given the proposed reduce census?
- The Developmental Disabilities Transition Grant is proposed to be cut by nearly 60% from FY15 levels. How does this proposed reduction intersect with proposed increased SODC spending but reduced SODC census?

Division of Mental Health

Observations:

- Due to a number of factors, including but not limited to Federal rules, many of the community-based services funded by the Division don't currently draw federal matching funds (Medicaid). As such, the Division's budget has historically – and necessarily – appropriated GRF grant funds to pay for community mental health services.
- Core and essential grant funded services – such as psychiatry, non-Medicaid Rehabilitation Option services, residential and housing, are not currently appropriated due to the budget impasse. Furthermore, for some of these core and essential services (psychiatry and non-MRO) no contracts were issued for the current fiscal year.
- We don't believe the Division has proposed to “restore” several grant funded services it proposed for reduction and/or elimination in its proposed FY16 budget. We note that the Division proposes to reduce appropriations on community mental health services \$76.7 million below FY16 spending levels. This is of critical concern to IARF.

Questions:

- From FY15 to proposed FY17, the number of Medicaid eligible individuals receiving outpatient mental health services is indicated to drop by 1,901. Furthermore, over the same time frame, the number of individuals not enrolled in Medicaid receiving treatment drops 23,525. Does the Division predict over 23,000 individuals previously served through grant programs are no longer receiving services? Can the Division account for and explain these measures and outcomes more fully?
- The Division's GRF walkup indicates \$7 million in GRF funding is being moved to Other State Funding, can the Division clarify what services this would fund and which OSF they would be moved to under the proposed budget?

Division of Family & Community Services:

Observations:

- We don't believe the Division has proposed to reduce eligibility for the Early Intervention program as it outlined in its FY16 budget proposal. This move would've resulted in the loss of services to thousands of families across Illinois. We applaud the Division for not moving this proposal forward again for the forthcoming fiscal year.

\$25 Million for Needed Programs and Services

Outlined on the Department's GRF walk-up as “DHS Grants” there is a \$25 million appropriation with no direct explanation. During the briefing, the Secretary-Designate indicated under the proposed budget this line would be available to for needed programs/services, but no further specificity was provided. How would decisions be made

relative to this line under the proposed budget?

Contact: Josh Evans, Vice President of Government Relations
P: 217-725-7859
E: jevans@iarf.org