

Governor Level Funds Most Elderly Accounts Prescription Advantage Takes Most of the Hit

To: Advocates
Fr: Al Norman

As Charlie Brown might have said: "What a relief!"

The short analysis of the Governor's budget for FY 2011 is that most of the Elder Affairs line items have been level funded into FY 2011 at the level they had fallen to as a result of final FY 2010 action, including 9c cuts and impoundment of funds.

As you will see from the attached spreadsheet:

- * Prescription Advantage is cut by \$8.485 million**
- * The enhanced home care program (ECOP), home care purchased services, home care management, nutrition, supportive housing, congregate housing, homeless funds, and Councils on Aging are all level funded at their final FY 2010 level.**
- * The Governor has deleted all references to the mandatory Equal Choice "Nursing home pre-admission counseling program," which the General Court funded at \$2.5 M in FY 2010. The Governor has impounded the money for that program in FY 2010, and not funded it in FY 2011.**
- * Programs like protective services continue to absorb the \$1 million cut in the Governor's 9c plan from FY 2010, and the care management account is leveled at its \$1.5 million cut level.**

This is great relief to agencies which were fearing another year of major budget cuts. Level-funding however, will continue to seriously restrain our ability to meet the growing demand for in home services, and the continuing imbalance of spending on nursing homes (60% of the LTC funds) versus community care (40%). Our funding for FY

2011 is being frozen at a time when more than 2,300 elders are waiting to get into the home care and ECOP programs.

Our budget work from this point forward will be to 'end the waiting lists' in these programs. Mass Home Care will begin to share its budget request with lawmakers, hoping to see funds shifted away from institutions, and into the community--where seniors want it spent.

In his budget message, the Governor **Deval Patrick** said: "First, we are investing in our economy and our people: The economic downturn has undeniably strained the state budget, as it has likewise strained the finances of individuals, families and businesses across Massachusetts. But whatever the fiscal challenges we face today, we remain committed to investing in the Commonwealth's economy and our people."

In a separate message to human services providers, EOHHS Secretary **JudyAnn Bigby** added: "We share a deep commitment to ensuring the availability of quality services and supports for diverse populations and communities across the Commonwealth. In preparing this budget, the Governor faced a \$2.7 billion deficit. Representing roughly half of the state budget, EOHHS faced a proportionate reduction of \$1.5 billion. However, recognizing the vital services and supports we offer to consumers across the Commonwealth, the Governor ultimately recommended \$14.5 billion in spending for EOHHS and its agencies – which is an \$834 million (6.1%) increase over the FY10 GAA budget—or a \$569 million increase from FY10 projected spending.

"In general, agencies maintain their share of the overall Secretariat budget, and key services in many of our agencies have been protected. Maintaining his commitment to health care reform, the Governor increased overall MassHealth spending by 6.5% to keep pace with growing enrollment and increased funding for the Children's Behavioral Health Initiative; the budget also preserves coverage for MassHealth members and maintains nursing home and community health center provider rates. The Governor has also preserved funding for many key services and supports, including: services for veterans and elders;

The Governor also recommended reductions in certain tax expenditures that Mass Home Care has also recommended, and has proposed that candy and soda drinks be subject to the sales tax. In outside sections, the Governor also adds a surcharge to managed care organizations, helps nursing homes by update the base year used for their rate calculations.

SEE ATTACHED Budget Chart, Narratives, and Outside Sections