

## House and Senate Budget Comparison: Department of Aging and Disability Services

Total recommended funding for the Department of Aging and Disability Services (DADS) is \$10.77 billion All Funds (4.4 billion non-federal) in the **House** budget, and in the **Senate** budget \$10.84 billion All Funds (also \$4.4 billion non-federal).

DADS is home to long term care programs including community care for elders and people with disabilities, nursing home care, and residential programs for persons with mental retardation. Within the Medicaid-funded long term care programs operated by DADS, some are “entitlement” programs, meaning every individual who meets the financial and functional need criteria is served (no caps or waiting lists), while other non-entitlement programs are capped. Most DADS programs and services are financed by Medicaid; for example, 92% of the state general revenue dollars budgeted for DADS are state match for Medicaid. Because long term care services can be expensive, a significant share of total Texas Medicaid funding runs through this agency.

Some notable DADS budget facts and assumptions include:

- The **House** and **Senate** budgets assume that August 2007 DADS payments originally deferred until September 2007 in the 2006-2007 appropriations act are paid in August 2007 via transfer of unexpended funds from HHSC as specified in HB 15.
- Some caseload changes at DADS will result from:
  - increased enrollment of long term care consumers from DADS programs into STAR+Plus managed care at HHSC; and
  - children transferring from primary home care to the Texas health Steps Comprehensive Care Program at HHSC, as part of the Alberto N. settlement.
  - Medicaid Nursing Facility caseloads are projected to decline very slightly from 57,683 in FY 2006, to 57,358 in 2009.
  - State School caseloads are expected to decline from 4,933 in FY 2006 to 4,795 in 2008 and 2009.

### DADS: Selected Exceptional Items

Exceptional Item	Agency request	House Bill	Senate Bill	Comments
1) February Caseload Updates	59.9 Million GR (\$98.8 million AF)	\$0	\$0	No increase for agency forecasted caseloads. Budgets assume lower LBB caseload estimates.
2) Provider Rate Restorations to FY 2003	\$10.8 million GR (\$27.2 Million AF)	\$10.8 million GR (\$27.2 Million AF)	\$10.8 million GR (\$27.2 Million AF)	Both Chambers fund: House funds in HB 15.
3) Promoting Independence (move individuals from large ICFs-MR into community settings)	\$7.9 million GR\$ (\$19.9 million AF)	\$6.6 million GR	\$7.9 million GR	<b>Senate fully</b> funds, would move 240 adults from ICFs-MR into HCS services in the community, and 120 youth aging-out of Foster Care Services at DFPS into HCS. <b>House</b> funds 87.5% of request, allows movement of 180 adults; same number of youth.

<b>Exceptional Item</b>	<b>Agency request</b>	<b>House Bill</b>	<b>Senate Bill</b>	<b>Comments</b>
4) Staffing -Regulatory, Intake, & Guardianship	\$35.8 million GR ( <i>\$68.1 million AF</i> )	\$17.5 million GR ( <i>\$35.5 million AF</i> )	\$17.6 million GR ( <i>\$33.9 million AF</i> )	<b>Both Chambers</b> funded roughly half the requested amount for these complex staffing activities.
5) Technology Initiatives	\$6.5 million GR ( <i>\$13.1 million AF</i> )	\$4.0 million GR	Funded at \$4.0 million as part of HHSC #13 allocation?	<b>Both Chambers</b> partially fund this request to allow agency to upgrade and replace outdated equipment and software.
6) State School Equipment and Vehicles	\$13.7 million GR/AF	1.0 million GR	\$0	<b>House</b> funds replacement of 24 vehicles (out of 144 requested).
7) State School Utility and Drug Increases	\$4.4 million GR ( <i>\$13.7 million AF</i> )	\$4.4 million GR	\$4.4 million GR	<b>Both chambers</b> fund increases in costs related to utilities and drugs for persons residing in state schools.
8) State School Repairs and Renovation	\$0.3 GR ( <i>\$60 million AF</i> )	\$0.3 GR ( <i>\$40.3 million AF</i> )	\$0 GR ( <i>\$8.0 million AF</i> )	<b>House</b> funds all of GR portion and 67% of G.O. Bond request; <b>Senate</b> funds about 13% of the Bond request only.
9) Contract Services for Guardianship	\$1.1 million GR/AF	\$1.1 million GR	\$0	<b>House</b> fully funds Guardianship caseload increases resulting from increased referrals from APS/CPS intake increases.
10) MR Equity (increase allocations to Mental Retardation Community Centers currently funded below the statewide average for all MRAs across the State)	\$22.0 million GR/AF	\$0	\$6.0 million GR/AF	<b>Senate</b> funds 27% of the request.
11) PACE Site Expansion	\$3.2 million	\$0	\$0	<b>Senate</b> Rider added authorizing one new PACE site at \$1.6 million GR out of funds appropriated at HHSC (DADS rider #40).
<b>Other Major DADS Funding Issues and Decisions</b>				
Minimum Wage Impact	\$197.3 million GR	\$0	\$37.3 million GR ( <i>\$87.4 million AF</i> )	<b>Senate</b> funds direct impact on DADS costs of contracted services.
Interest List Reductions (*from HHSC EI #4 & #8; see: <a href="http://www.cppp.org/files/6/pop%20293%20H%20vs%20S%20budgets%20HHSC.pdf">http://www.cppp.org/files/6/pop%20293%20H%20vs%20S%20budgets%20HHSC.pdf</a> )	*\$201.0	*\$33.2 million GR	*\$85.5 million	* <b>Senate</b> DADS s share \$85.5 million GR funds ~10% list reduction; (unfunded \$75 million GR in Article XI for all HHS agencies) <b>House</b> DADS share is \$32.2 million GR

**Other Major DADS Funding Issues and Decisions**

<b>Exceptional Item</b>	<b>Agency request</b>	<b>House Bill</b>	<b>Senate Bill</b>	<b>Comments</b>
Rate Increases- Community Care				Senate puts \$62 million unfunded in Article XI
Community Care Rate Enhancements		\$15.8 million GR <i>(\$40.5 million AF)</i>		House funds this in <b>HB 15</b> to continue enhancement implemented in 2007.
Nursing Facility “Quality Assurance Fee” (QAF, provider tax).		\$220.4 million GR-R <i>(\$555.2 AF)</i>		House funding is contingent on enactment of QAF legislation (HB 3778 - rider 10.09 Article IX). Would fund a rate increase for NFs, and make GR available for other uses.