

Lewiston Tribune, Tuesday, Jan. 18, 2011 – by William Spence (2 pages)

Cuts reduce Idaho agency to 'crisis response'

H & W director says support services may need to shift to local volunteers

BOISE - After three years of falling budgets, the Idaho Department of Health and Welfare is turning into little more than "a crisis response organization," Director Richard Armstrong said Monday.

Speaking to a combined meeting of the House and Senate budget and health and welfare committees, Armstrong said to satisfy the governor's budget goals his agency may have to eliminate various community services and focus exclusively on "matters of life and death."

In his fiscal 2012 budget recommendation last week, Gov. C.L. (Butch) Otter said general fund expenditures need to be reduced by \$35 million. That includes \$25 million in Medicaid spending, which translates into \$84 million in cuts once the federal matching funds are added in.

There are limited options for meeting that goal, Armstrong said. The agency can't reduce program eligibility requirements, and reimbursement rates for Medicaid service providers are already "dangerously low," he said, to the point that some providers may stop accepting Medicaid patients.

"That leaves one option," Armstrong said. "We have to focus on preserving core services that protect public health and safety - services that are literally a matter of life or death. To preserve them, we'll have to consider eliminating certain community support services."

Exactly what these services are still has to be determined. Leslie Clement, administrator of the agency's Medicaid Division, indicated they could include things like services for developmentally disabled adults, noncritical dental care, and limitations on various preventative care services.

In general, Armstrong said, any nontherapeutic services such as driving Medicaid patients to their medical appointments or just helping them with their weekly shopping may have to shift to local volunteers.

"For adults with developmental disabilities (or mental illnesses), this means communities will have to step up," he said. "The key is that these volunteers wouldn't be providing therapeutic services. What we're looking for is simply observation - for example, a volunteer goes to someone's home to check on them and notices a person is struggling. They would contact us and our people would respond. We're moving towards the department becoming a crisis response organization."

That vision raised a number of concerns for lawmakers Monday.

Rep. Wendy Jaquent, D-Ketchum, said the state started paying for these community based, personal care services in the first place because they helped reduce the costs of institutionalization by allowing people with disabilities or mental illnesses to remain in their homes or with their families.

"We moved to this model because of the savings," she said.

Moreover, if rural counties don't have the population base to provide the necessary donations or volunteers, Jaquet said, the counties themselves may have to pick up the burden. Either that or people may not get the services they need until they get into a crisis situation.

"Think of the train wreck that's coming for these counties," she said. "They already have a terrible time paying for road maintenance and other costs, and all of a sudden we're going to ask them to take on social services? I think this (proposal) is a little naïve."

Lewiston Rep. John Rusche, a former family physician, wondered who would coordinate these volunteer activities to make sure someone was available when needed. He also indicated a kind of support staff would be needed to assist them.

"Without that support staff - whether it's (crisis intervention) teams or family trainers - how's that going to work?" he asked.

Armstrong said the details still need to be worked out. Historically, however, the agency used to have "a robust process of engaging volunteers." That changed over the years, he said, as certain services became available for reimbursement.

"Most emergency services in Idaho are delivered by volunteers," Armstrong noted. "In Medicaid, we've gotten away from that, in part because of the notion that these services require special skills."

Clement said any changes in Medicaid services, benefits or reimbursement rates will have to go through a lengthy review and approval process before they could be implemented.

However, just to give lawmakers an idea of what a \$25 million general-fund reduction might look like, she presented two different budget scenarios.

The "blunt" approach, she said, would eliminate developmental disability service centers for adult Medicaid patients, as well as psycho-social rehabilitation services. These would save \$8.4 million and \$11.8 million, respectively.

Only covering urgent dental care for adults would save another \$3.7 million, and establishing co-pay requirements for some services would generate \$1.3 million.

A more "tailored" approach would reduce - but not eliminate - certain adult Medicaid services, Clement said, such as chiropractic coverage, podiatric and vision care, and personal care services for the developmentally disabled. This approach only saves \$20.7 million, though, short of the governor's goal.

"So how do we prioritize where we spend our resources?" Clement asked. "Where do we have the best opportunities for the best outcomes? There's going to be a lot of debate about that."