

SENIOR PROGRAMS SLASHED IN FINAL STATE BUDGET

June 1, 2011, by Jerry Reilly, *Chair, Eldercare Alliance*

Services and programs important to older people are severely slashed in the budget adopted by the Legislature for the next two years. Nearly one half billion dollars in state and federal funds have been cut from the budget for services vital to seniors. Please see the table prepared by AARP for an overall summary, below.

Home care hours have been cut by 10% for people who get help from home care workers in order to remain in their own homes. Additional training for home care workers approved by Initiative 1029 has been postponed once again.

Enrollment in the Basic Health Plan (BHP) program will continue to decline. Approximately one third of BHP enrollees are between 50 and 65 years old.

The state will no longer pay the prescription co-pay for low income seniors enrolled in the Medicare Part D Pharmacy program. There is some hope that the federal government will end the co-pay requirement for these people in January, 2012.

Changes in the Adult Day Health program may force as many as 700 people living with developmental disabilities out of the program. Some Adult Day Health Centers will likely close.

The Senior Citizens Services Act will have reductions to the Meals on Wheels and other services provided through the Area Agencies on Aging.

Dental coverage for Adults on Medicaid will be severely restricted to only emergency services. Services will still be available for people who receive long term care services.

Eyeglasses and Hearing aids will no longer be available to adults on Medicaid.

One positive step taken by the Legislature was to enact a Safety Net Assessment Fee on nursing homes that will provide funds to generate additional federal Medicaid dollars. This program avoided about \$80 million in cuts that would otherwise have been imposed on the funding for the care of about 11,000 Medicaid residents in nursing homes.

The sweep and severity of the cuts to senior programs is difficult to comprehend. Without doubt this is the worse budget we have ever seen. Senior programs are not alone. There were harmful cuts throughout the safety net programs that affect children, people with disabilities, mentally ill people and all low income people. Education programs, especially higher education, have also been deeply cut.

How did things get this bad? The twin drivers of this sad situation were the steep decline in state revenues driven by the great recession and the straightjacket the voters imposed on the legislature when they overwhelmingly passed Tim Eyman's Initiative 1053 last November. This initiative re-imposed a two-thirds requirement for the legislature to pass any revenue measure or to close any tax loophole.

Once it became the accepted conventional wisdom in Olympia that the voters wanted an “all-cuts” budget, the legislature set about the task of delivering what they believed the public wanted. Some tried to make the cuts in the most responsible way available to them. Some seemed to enjoy the prospect of shrinking the footprint of state services and keeping taxes as low as possible. But almost no one argued for any real alternative to an “all-cuts” approach. Toward the end of the session, there was some attention paid to a set of notoriously outrageous tax loopholes, but in the end nothing was done to change our regressive, preference ridden, and inadequate tax structure. Most discouraging of all was that nothing was done to lay the groundwork for a legal challenge to Eyman’s initiative 1053 on grounds that it violates the state Constitution.

So instead of a sharing of the burden of replacing the revenue lost through the recession, the old, the sick, the poor and the children were asked to shoulder a grossly disproportionate share of the load.

We now await the next revenue forecast that is due around mid-June. Hopefully, revenue will be stable and we can begin to plan getting through the next two years without further reductions.

We need also to develop a plan to convince the public that we can no longer operate a prosperous, decent, and progressive state based upon a tax structure that cannot keep pace with the needs of our people.

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Washington State

2011-2013 Budget Outcomes for Senior Services

| Issue | Reduction or Change | Impact |
|---|--|--|
| Basic Health Plan | New admissions frozen <i>Savings - \$202.5 mil</i> | No access to care for thousands of people on the waiting list. Total enrollees expected to drop from current level of 41,000 to 37,000 during FY 2012 and 33,000 during FY 2013. Approx. 1/3 of BHP enrollees are age 50+. |
| In-Home Care under Medicaid programs | Home care hours reduced by average of 10% based on acuity of client. <i>Savings - \$176.6</i> | More than 40,000 seniors and people with disabilities will get fewer hours of care than they need to stay safe at home. |
| Medicare Part D | Eliminated for dually eligible | 50,000+ very low income seniors will have to pay co- |

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|---|--|---|
| RX Co-Pay Program | clients <i>Savings - \$14 mil</i> | pays for prescription drugs. |
| Adult Day Health | Program changes, study of day options for DD <i>Savings - \$17.2</i> | Up to 700 people with Developmental Disabilities may lose access to Adult Day Health services, centers may close. |
| Senior Citizen Act Funding (SCSA) | Reduced <i>Savings - \$1.16</i> | Possible reductions to Meals on Wheels, Transportation, other senior services provided through Area Agencies on Aging. |
| Dental Coverage for Adults on Medicaid | Reduced to emergency services only with exceptions. <i>Savings \$57.5</i> | Low-income adults will have high costs or forego dental care. Preventive and restorative care retained for long term care clients only. |
| Eyeglasses and hearing aids for Adults on Medicaid | Eliminated <i>Savings - \$9 mil</i> | Seniors will no longer be covered for glasses and hearing aids. |
| Adult Family Home License Fee | Increased from \$100 per home to \$100 per bed in FY 2012 and \$175 per bed in FY 2013 plus initial fee of \$2,700 <i>Revenue - \$1.6 mil</i> | Current fee covers only 6% of total oversight costs. Additional revenue from increased fees will cover enhanced oversight as called for in HB 1277. Impact will be improved quality and faster response to consumer complaints. |
| Caregiver Training (Increase to 75 hours) | Delayed for all LTC caregivers <i>Savings - \$49 mil</i> | Training for caregivers in home and residential settings will continue at current level of 28-34 hours, increase to 75 hours delayed until the 2013-15 biennium. |
| Family Caregiver Support Program | Funding increase of \$3.45 million <i>New Spending - \$3.45 mil</i> | More family caregivers, including those caring for loved ones with Alzheimer's will get support. Study will assess if this results in Medicaid diversion. |

Updated as of May 26th, 2011

Information subject to revision as we further analyze a very complex set of budget provisions.

For more information contact AARP Advocacy Director Ingrid McDonald, imcdonald@aarp.org.