

## 2009 – 2011 Budget Reductions: DSHS Medical Programs and Basic Health

Prepared by Northwest Health Law Advocates  
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**This chart focuses on budget changes, primarily cuts, of interest to client and consumer advocates. In addition to the areas listed below, there were substantial cuts to health care provider and plan reimbursement rates.**

ITEM	DESCRIPTION	BUDGET (MILLIONS)
<b>DSHS – MEDICAL ASSISTANCE</b>		
GAU Medical	Transitions GA-U clients to managed care including mental health and care coordination. Current - King/Pierce; New - Spokane, Yakima, Chelan, Kitsap, Cowlitz (expected this summer); then remaining counties (expected by January). Lower GA-U caseload by transferring people to SSI more quickly and evaluating clients on GA-U more than 12 months.	-42.5 M
Durable Medical Equipment and Supplies	Eliminates bath support equipment, oral enteral nutrition, bath support equipment, disinfectant sprays, surgical stockings, custom vascular supports, graduated compression stockings, and blood monitoring equipment. Limits number of incontinence supplies, diabetic supplies (lancets and test strips), non-sterile and sterile gloves.	-35.1 M
Emphasize Use of Generic Drugs; Lower Pharmacy Reimbursement for Brand-Name Drugs	Sets goal of 20% increase in use of generic drugs. Includes increased staff. Reduction in pharmacy reimbursement for brand-name single-source drugs (no more than 16% less than Av. Wholesale Price)	-88.1 M
Over-the-Counter Drugs	Requires DSHS to stop paying for some over-the-counter drugs while maintaining reimbursement for those that can replace more costly prescription medications.	-34.6 M
Hemophilia Drugs	DSHS will pursue a competitive procurement process to purchase hemophilia products.	-18.1 M
Proton Pump Inhibitors	Requires prior authorization when a PPI prescription has continued for more than 90 consecutive days.	-13.1 M
Low-risk Drugs	Requires pharmacies to dispense 90-day supplies for maintenance prescriptions of low-risk drugs.	-13.3 M
Drug Purchasing Initiatives	Requires DSHS to pursue drug purchasing initiatives, set minimum and maximum dosages for certain drugs, and eliminate coverage for drugs not approved by CMS.	-16.0 M
Dental Services	Reduces dental expenditures by prioritizing rollback of rate increases from 2007 session and controlling utilization (rather than terminating services).	-16.5 M
Maternity Support Services	Reduces services by 20% and focuses on high-risk pregnancies.	-16.7 M
Transportation, Lab, X-Ray	Cuts transportation, lab and x-ray by reducing rates and/or utilization controls, prioritizing	-9.4 M

ITEM	DESCRIPTION	BUDGET (MILLIONS)
Services	advanced imaging services	
Medicare Part C Premiums	Eliminates premium co-payments for dual eligible clients in Medicare Part C Advantage Plans	-1.2 M
Alien Emergency Medical	Reduces funding for services not defined as “emergency” under federal provision. Maintains renal dialysis, cancer-related treatment and service approved under federal Medicaid definitions of emergency services.	-13.9 M
Health Navigator Pilot	Eliminates funding for the Health Navigator Pilot.	-2.7 M
Health Care Pilot Programs and Chronic Care Management	Eliminates funding for the foster care pilot, asthma in-home pilot, senior dental pilot, chronic care management contract, and foster care nurse hotline.	-2.4 M
Children’s Mental Health	Maintains the expansion of mental health visits for children from 12 to 20 visits under 2SHB 1373, removing 7/1/10 expiration date for expansion.	-150 K
Medical Support Obligations	Implements HB 1845, allowing courts to obligate parents to require medical support payments in new child support orders (not to exceed 25% of basic child support obligation). No savings assumed until 2011-13.	0.1 M
<b>DSHS – MENTAL HEALTH</b>		
Children’s EBPs	Reduces funding for children’s mental health Evidence Based Practices to more accurately reflect actual dollars spent and children served (number of children served will not be reduced from FY 2009 numbers).	-2.8 M
Innovative Services Grants	Does not renew contracts for 7 innovative services grants scheduled to end 6/30/09.	-3.1 M
Medicaid Mental Health	Reduces managed care payments to RSNs by 3.4%. May result in changes in access to care standards, utilization management for current or expensive services, uniformity in provider payment rates, etc.	-24.5 M
Non-Medicaid Mental Health	Reduces state-only funding to RSNs and individuals not eligible for federal funding by approx. 9%. Priorities within funding are: (i) crisis and commitment services; (ii) community inpatient; and (iii) residential care services including personal care and emergency housing.	-23.2 M
<b>DSHS – DEVELOPMENTAL DISABILITIES</b>		
In-Home Care Hours	Reduces funding for in-home care hours, with the largest hour reductions to the lower acuity patients; must comply with ARRA (federal stimulus law).	-19.4 M
Agency Provider Qualifications	Home care agencies licensed under the Medicaid in-home personal care program will no longer be allowed to employ providers who are family members of clients or reside with client (these people can transition to being Individual Providers)	-5.6 M

ITEM	DESCRIPTION	BUDGET (MILLIONS)
Adult Day Health Services	Eliminates funding for adult day health services except for clients in residential settings.	-1.8 M
Vacancies in Community Residential Facilities	DSHS-DDD to hold slots vacant when individuals transition out of residential slots when savings can be achieved.	-5.1 M
Expanded Community Services	Provides funding for 60 new clients using Medicaid community-based waivers to keep them in the community.	6.8 M
Employment and Day Clients	Transitions state-only employment and day clients to Basic waiver to capture allowable federal funding. Preserves state-only program for those who don't qualify for federal funding.	1.6 M
State-only	Transitions eligible state-only community residential support and services to CORE waiver to capture allowable federal funding.	2.4 M
<b>DSHS – LONG-TERM CARE</b>		
In-home Care Hours	Reduces funding for in-home care hours, with the largest hour reductions to the lower acuity patients; must comply with ARRA (federal stimulus law)	-61.5 M
Adult Day Health Services	Eliminates funding for adult day health except in residential settings.	-34.9 M
Roads to Community Living	Clients with complex needs are transitioned from nursing homes to community-based settings with intensive supports to prevent their return to the nursing home.	-6.0 M
<b>DSHS – ALCOHOL &amp; SUBSTANCE ABUSE</b>		
Low-income Treatment	Reduces low-income adult outpatient, residential and detox services statewide.	-12.4 M
<b>WA STATE HEALTH CARE AUTHORITY</b>		
Basic Health Plan	Reduces funding for Basic Health by 43%, by reducing number of enrollees to 65,000 by January 2010, streamlining administrative procedures and adjusting benefit design and cost sharing to allow for enrollment of as many people as possible. Basic Health enrollees who are also enrolled in DSHS Medical Assistance will be eliminated from Basic Health. Increases income documentation requirements and tightens self-employment deductions for non cash-flow expenses.	-273.7 M