DEPARTMENT OF AGING AND DISABILITY SERVICES
High Level Summary of DADS Budget for Fiscal Year 2012-13
(82nd Legislature – House Bill (HB) 1 and HB 4)

- **HB 1 funding includes:**
  - Caseloads – HB 1 went with Legislative Budget Board (LBB) Caseload forecasts (approximately $718.0M General Revenue (GR) / $1.7B AF)
  - Rates – as compared to current rates in FY 2011 (Sec 16, Article II, Special Provisions) (approximately $475.2M GR / $1.1B AF)
    - Community Care programs – restored 100 percent with the exception of Home and community-based Services (HCS)/Texas Home Living (TxHmL) (-1 percent)
    - During FY 2011, nursing facilities (NF) and Skilled Nursing Facilities (SNF) received a three percent provider rate reduction, those cuts were not restored, however NFs will receive no further reductions for the 2012 – 2013 biennium
    - NF-related Hospice care rates, which were not reduced during FY 2011, were equalized with other nursing facility rates to meet the FY 2011 rate reduction (-2 percent)
    - Intermediate Care Facilities for persons with Intellectual Disabilities (ICFs/MR) (-2 percent)
  - Promoting Independence ($22.5M GR / $53.1M AF)
    - 400 HCS waiver slots for large and medium ICFs/MR
    - 240 HCS waiver slots for individuals at risk of ICFs/MR institutionalization
    - 192 HCS waiver slots for children aging-out of the Department of Family and Protective Services (DFPS) Foster Care
    - 100 Community Based Alternatives (CBA) waiver slots for individuals at risk of NF institutionalization
  - GR Community Services
    - Method of Finance (MOF) swap of Title XX for GR in Non-Medicaid Services strategy
    - MR Community Services are funded at $75M GR per year (compared to $102M in FY 2011)
    - Refinancing of MR Community Services GR services ($32.9M GR / $78.3M AF for up to 5,000 TxHmL slots)
    - Zero-funded In-Home and Family Support (IHFS-MR); funding was transferred to MR Community Services strategy
  - 80 FTEs in DADS Regulatory services were originally proposed to be cut, of those 80, 20 FTEs were added back for assisted living facility and adult day care regulation for a net decrease of 60 FTEs.
  - Riders
    - DADS Rider 44 requiring DADS to maintain performance level targets for Waiver programs
    - Article II, Special Provision 49 requiring DADS to maintain program service levels for Entitlement programs
    - Article II, Special Provision 16 noting the extent of the provider rate reductions, if any, for DADS programs for FY 2012-13
    - Sec 18.09 - Payroll Contribution for Group Health Insurance for each year of the biennium.
    - Sec 18.25 - is the overall reduction to agencies budgets beginning in Appropriations Year (AY) 2013
Major Reductions included as a part of the DADS FY 2012-13 Appropriations

- Medicaid cost containment initiatives that impact community care waiver programs and NFs (Sec 17, Article II, Special Provisions) (-$118.3M GR / -$281.7M AF)
  - Nursing facility utilization review (-$58.0M GR / -$138.1M AF)
  - Personal Attendant Services in the CBA program (-$15.0M GR / -$35.7M AF)
  - HCS Supported Home Living (-$12.5M GR / -$29.8M AF)
  - Scope, Amount, and Duration (90 percent caps) (-$31.0M GR / -$73.8M AF)
  - Requisition Fees (-$1.8M GR / -$4.3M AF)

- Rate Reductions (Sec 16, Article II, Special Provisions)
  - 1% - HCS
  - 2% - Nursing Facilities-related Hospice
  - 2% - ICF/MR

- Reduction of 372 FTEs in DADS Access and Intake and the transfer of 71,700 individuals currently served in DADS community-based programs (Primary Home Care (PHC), Day Activity and Health Services (DAHS), and CBA) due to the expansion of the Health and Human Service Commission’s (HHSC) STAR+PLUS program during the FY 2012-13 biennium (-$543.2M GR / -$1.3B GR)

HB 4 (Supplemental Appropriation) additional funding for FY 2012-13

- DADS did not receive any additional funding as a result of the HB 4 Supplemental Appropriation Act; however, DADS was identified for a reduction of $57.5 million GR associated with the General Revenue reduction plans submitted to the LBB and Governor’s Office in order to conserve spending in FY 2010-11.
- FY 2011 GR Reduction (-$57.5M GR) in HB 4
  - FY 2010-11 five percent Plan (-$25.0M GR)
    - Included temporary hiring freeze; reduced travel; reduced overhead; more efficient personal care services; and HCS utilization review
  - FY 2011 2.5 percent Plan (-$32.5M GR)
    - Included halting the FY 2011 Waiver program roll-out as of Nov 2010; halting the NF “pay for performance” study; a 2 percent rate reduction for NFs, ICFs/MR, and the HCS program