



Highlights in the Department of Social Services Budget, HB2011

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With minimal debate in either chamber, both the Missouri House and Senate quickly approved next year's budget bills and sent them to the Governor for his signature.

During his State of the State address last January, the Governor proposed a huge budget increase. Most of his proposals were either scaled back or ignored in the final budget that passed the Legislature. The following analysis provides a snapshot of the Department of Social Services budget, including services that were increased, proposals that were unfunded in the final budget, and funding that remained flat compared to last year. (Flat funding amounts to a cut since costs rise due to inflation.)

Increased Funding: Funding for the following services was *increased*. *General Revenue* is indicated as *GR*. *Federal Funds* are indicated as *FF*.

In general, health care provider rate increases were much higher priorities for lawmakers than restoring services cut in 2005 or restoring eligibility. Missouri's reimbursement rates are low, and increases are needed to attract providers to participate in MO HealthNet. The Missouri Budget Project believes that restoring eligibility for those with incomes under the federal poverty level should also be a high priority.

Service/line item	Amount of increase	Notes
<i>Related to health care</i>		
<i>MO HealthNet participant case managements</i>	\$17.1 mil (\$7.2 mil GR; \$9.9 mil FF)	This is a new line item that will fund enrolling individuals in a health care home, doing a risk assessment for participants, and developing an electronic plan of care.
<i>Women's Health Benefit expansion</i>	\$13.0 mil (\$2.0 mil GR; \$11.0 mil FF)	This expansion was approved in 2007 as part of SB577, which renamed Medicaid as MO HealthNet
<i>Pharmacy increase</i>	\$73.3 mil (\$10.0mil GR; \$45.8 mil FF; \$17.5 mil pharmacy rebates	The General Assembly followed the Governor's recommended 10% inflationary increase.
<i>Physician rate increase</i>	\$39.2 mil (\$15.0 mil GR; \$24.2 mil FF)	This increases the reimbursement to 62.5% of the Medicare rate.

<i>Dental rate increase</i>	\$7.0 mil \$2.5 mil GR; \$4.5 mil FF)	This increases rates from 33 to 38% of the UCR (Usual and Customary Rate) for those currently receiving dental benefits. Adult benefits were not funded. (See below)
<i>Home health rate increase</i>	\$200,000 (\$100,000 GR; \$100,000 FF)	This increased rates from \$63.27 per unit to \$64.55, as recommended by the Governor.
<i>Optometric rate increase</i>	\$1.3 mil (\$500,000 GR; \$800,000 FF)	This translates into a \$10 increase for optometrists (but not ophthalmologists). It raises rates from 24% to 35% of Medicare rates.
<i>Ambulance rate increase</i>	\$2.7 mil (\$1.0 mil GR; \$1.7 mil FF)	This is an increase in air ambulance rates from 17.5% to 34.5% of Medicare rates. It increases ground ambulance rates from 45.4% to 52.75% of Medicare rates.
<i>Presumptive eligibility for children</i>	\$11.8 mil (\$8.5 mil FF; \$3.3 mil in FRA funds)	This is a new decision item. It will expand presumptive eligibility to children seeking care at federally qualified health centers and rural health centers.
<i>SCHIP expansion</i>	\$4.8 mil (\$1.2 mil GR; \$3.6 mil FF)	Per SB577 (2007), this allows children to be eligible for SCHIP if they have pre-existing conditions that are not covered by private insurance, or who have exhausted private insurance benefits.
<i>Federally Qualified Health Care Centers grant increase</i>	\$250,000 in GR	

Services for children and families

There were also small increases in services for children and/or their families. Missouri's investment in early care and education and child welfare services is low. The increased funding for some services is so small that the state's investments remain among the lowest in the country. Increases include the following:

Service/line item	Amount of increase	Notes
<i>Related to services for children and their families</i>		
<i>Eligibility for subsidized child care</i>	\$2.1 mil FF	This increase allows Missouri to maintain its eligibility at 127% of the Federal Poverty Level (FPL). Average eligibility across all states is 184% of FPL. Annual comparisons are completed in July. Last July, Missouri ranked 50 th .
<i>Transitional child care benefits</i>	\$4.0 mill FF	This will allow families with incomes from 127 to 139% of the FPL to receive 75% of the usual subsidy.
<i>Child care provider rate increase</i>	\$2 mil FF	This will increase the reimbursement rate for infant care to 65% of the market rate, and reimbursement for preschool care to 50% of the market rate. Even with this increase, Missouri ranks 50 th in reimbursement rates.
<i>Foster care rate increase</i>	\$1.0 mil (\$800,000 GR; \$200,000 FF)	This is a \$7-9 /month increase per child. It brings the amount up to 72% of the amount the US Dept of Agriculture determines is necessary to support a child. It is a 3% increase.

<i>Adoption Subsidy/Guardianship rate increase</i>	\$1.7 mil (\$1.4 mil GR; \$300,000 FF)	This is a \$7-9 / <u>month</u> increase per child. It brings the amount up to 48% of the amount the US Dept of Agriculture determines is necessary to support a child.
<i>Residential treatment rate increase</i>	\$2.0 mil (\$800,000 GR; \$1.2mil FF)	This is a 3% increase, which amounts to approximately \$5/ <u>day/child</u> .
<i>Intensive in-home services rate increase</i>	\$200,000 GR	This is a 3% increase.
Year 3 of funding to help the Children's Division achieve accreditation	\$3.7 mil (\$2.7mil GR; \$1 mil FF)	By achieving accreditation, the Children's Division increases the likelihood that the services provided to children and their families are high quality
Growth in the number of subsidized adoptions	\$7.8 mil (\$3.9 GR; \$3.9 FF)	This supports the move of children in foster care to permanent placements
Program for adolescent boys with goal of preventing teen pregnancies	\$300,000 FF	New decision item

Newly proposed funding that was denied: The followed proposed funding was denied.

Service/line item	Amount of proposed increase	Notes
Insure Missouri	\$395 mil (\$25 mil GR; \$257mil FF; \$113.1mil other funds)	This was Governor Blunt's proposal to insure low income Missourians, including some of those cut from Medicaid in 2005. The Senate recommended funding, but the house did not. The Conference Committee took the House position.
Therapies for Home Health for adults insured by MO HealthNet	\$1.1 mil (\$400,000 GR; \$700,000 FF)	The House included funding for this, but the Senate did not. The Conference Committee took the Senate position. These include occupational, physical and other specialized therapies needed to assure that individuals function at their highest potential.
Therapies for all MO HealthNet participants	\$6.1 mil (\$2.3 mil GR; \$3.9 mil FF)	The House included funding for this, but the Senate did not. The Conference Committee took the Senate position. See description above.
Smoking cessation	\$2.2 mil (\$1.4 mil GR; \$800,000 FF)	The \$2.2 mil included by the House was only a <u>quarter</u> of the Governor's recommendation. The Senate cut this, and the Conference Committee took the Senate position.
Dental and vision services for all MO HealthNet participants	\$24.6 mil total	These services were included in SB577 (2007), subject to appropriation. <u>Neither</u> the House nor Senate included them, although the Governor recommended funding.
Increased funding to maintain actuarial rates for contracted case management	\$1.5 mil (\$800,000 GR; \$700,000 FF)	The Conference Committee recommended using money from the Children's Services Pool to fund this. That pool did not receive a compensatory increase to fund this.

Services whose funding level was cut or maintained at the same level as last year. A number of services lost ground since their funding was not increased to reflect inflationary costs. Other services were quietly cut, challenging the Department to do more with less. Some services funded solely by federal funds remain “flat” since domestic programs have not fared well in Washington DC.

During this economic downturn, it is likely that more children and families will be in need of supportive services. The current budget does not reflect that need.

Service/line item	Change in funding	Notes
Funding for Community Action Agencies	Flat at \$19.1 FF	The need for food, homeless services, energy assistance and similar services increases in times of economic downturns.
Local initiatives to assist the homeless	Flat at \$500,000 FF	See above
Surplus Food distribution program	Flat at \$1.2 mil FF	See above
Services to victims of domestic violence	Flat at \$6.4 mil (\$4.8 mil GR; \$1.7 mil FF)	
Low Income Energy Assistance	Flat at \$40.8 mil FF	See above
Crisis nursery and teen crisis care	Flat at \$15.6 mil GR	

Other services whose funding remains flat include: funds to divert children from psychiatric placements; community based programs to prevent child abuse and neglect; adoption resource centers; payments to accredited child care centers; early childhood start-up and expansion grants; early childhood programs for low income families.