

Schedule 1
Department of Social and Rehabilitation Services
Adjustments included in the Governor's Budget Recommendation
(in millions)

Description	FY 2003 SGF	FY 2003 All Funds	FY 2004 SGF	FY 2004 All Funds
<u>Reductions included in SRS Submitted Budget</u>				
Governor's August Allotment Reductions <ul style="list-style-type: none"> • Reduce Family Preservation Services • Reduce Child Support Enforcement Contracts • Head Injury Waiver • Local Office closures, State Hospital staff, and other administrative reductions • Medicaid cost avoidance 	(6,020,860)	(14,092,734)	(6,020,860)	(14,092,734)
State hospital workforce reductions <ul style="list-style-type: none"> • Reduce workforce in targeted positions not providing critical patient care 	(600,000)	(600,000)	(1,200,000)	(2,142,086)
Redesign of the delivery of field services <ul style="list-style-type: none"> • close 22 offices before July 2003 (reduction part of August allotment) • close more offices in FY 2004 	0	0	(197,005)	(416,500)
<u>Adjustments to the Submitted Budget</u>				
<i>Governor's November 2003 Allotment Reductions continued in FY 2004</i>				
Increase SRS Central Office Shrinkage from 7.25% to 17% <ul style="list-style-type: none"> • 1 out of every 6 positions will be kept vacant. • This represents a reduction in workforce. 	(843,590)	(2,313,955)	(914,069)	(2,439,375)
Reduce Information Technology and Human Resource Training contracts	(1,900,000)	(5,307,263)	(623,285)	(1,707,916)
Reduce Early Learning grants <ul style="list-style-type: none"> • Grants to improve the quality of care will be reduced by \$1.4 million affecting the funding for the following: accreditation, infant/toddler slots, provider start-up funding, training, education, provider recruitment, and resource and referral services 	(557,200)	(1,400,000)	(557,200)	(1,400,000)
Reduce Child Welfare grants <ul style="list-style-type: none"> • Additional funding for the training and recruitment of foster parents will be eliminated. 	(157,382)	(406,493)	(314,764)	(812,986)

Description	FY 2003 SGF	FY 2003 All Funds	FY 2004 SGF	FY 2004 All Funds
<p>Eliminate grandfathering for those whose PD Waiver LOC score is between 16 and 25</p> <ul style="list-style-type: none"> The level of care eligibility score for the PD waiver was raised from 16 to 25 in 1999. Persons already being served were allowed to remain in service. 350 persons will be removed from PD waiver funded services 	(334,656)	(840,000)	(1,481,551)	(3,765,060)
<p>Reduce Pharmacy Reimbursement rate to Average Wholesale Price - 13%</p> <ul style="list-style-type: none"> Reimbursement for branded pharmaceuticals will be reduced from the average wholesale price (AWP) minus 11 percent to AWP minus 13 percent. 	(212,267)	(533,333)	(1,231,200)	(3,100,000)
<p>Reduce inpatient acute care hospital reimbursement rate</p> <ul style="list-style-type: none"> Reduce rate by 10% in FY 2003 Reduce hospital rates by paying the lesser of the diagnostic related groupings (DRG) or the charged amount, reduce payments to out of state hospitals, paying less for costs above the DRG, and making no payments for medical education services. 	(614,840)	(1,544,724)	(4,997,450)	(12,700,000)
<p>Reduce Medical Transportation reimbursement rate</p> <ul style="list-style-type: none"> Reduce the base rate paid for Medicaid covered transportation from \$20 per trip to \$10 per trip. 	(497,500)	(1,250,000)	(1,180,500)	(3,000,000)
<p>Limit the Number of Branded Prescriptions covered by Medicaid to five per month</p> <ul style="list-style-type: none"> The number of branded drugs covered by Medicaid for each person in the program will be limited. Persons on Medicaid and their physicians, with certain exceptions, will need to switch to generics, prioritize their medications, or seek other funding for branded medications above the limit. Generic drugs will not be limited. 	(1,400,000)	(3,500,000)	(5,312,250)	(13,500,000)
<p>Reduce Physical Disability Waiver funding approved for the PD waiver waiting list</p> <ul style="list-style-type: none"> The additional appropriation for serving more people on the PD waiver waiting list will not be used. 156 fewer persons will be served on the PD waiver 	(1,000,000)	(2,500,000)	(983,750)	(2,500,000)
<p>Reduce family preservation services</p> <ul style="list-style-type: none"> Approximately 451 families will not receive services as a result of the reduction in this program. 	(932,672)	(1,750,000)	(1,750,000)	(1,750,000)
<p>Move Start Date for two year limit on General Assistance and MediKan</p> <ul style="list-style-type: none"> Start date for two year limit will move to 1/1/02 Persons who have been receiving services will lose them on 1/1/04 	0	0	(2,693,146)	(2,693,146)
Reduce SRS travel & supply expenditures	(181,419)	(493,975)	(156,400)	(421,336)

Description	FY 2003 SGF	FY 2003 All Funds	FY 2004 SGF	FY 2004 All Funds
Miscellaneous Administrative Reductions <ul style="list-style-type: none"> Reduce various contracts and other misc admin costs. 	(233,131)	(498,259)	(235,570)	(497,676)
Miscellaneous Funding Shifts <ul style="list-style-type: none"> Shifts SGF expenditures to federal and fee funds 	(1,352,023)	0	(1,121,404)	0
Reduce Medical Policy grants <ul style="list-style-type: none"> Reduce various administrative grants including incentive payments for diversion of people from private acute care psychiatric hospital admission. 	(145,541)	(207,164)	(770,541)	(832,164)
Reduce Prevention Grants	(16,830)	(75,000)	(16,830)	(75,000)
Reduce Mental Health Grants <ul style="list-style-type: none"> Reduce grants to Consortium AIMS, WSU Children, WSU Other, ComCare, KU Medical Residency Program, KU Adult, KU Children, NAMI, KEYS, Alternate Care, and Vocational Rehabilitation.. 	(165,380)	(192,000)	(204,630)	(231,250)
Reduce Developmental Disability Grants <ul style="list-style-type: none"> Reduce grants for Make a Difference, DD targeted case management growth, Families Together, and CDDO Administration 	(404,445)	(721,730)	(404,445)	(721,730)
Reduce Rehabilitation Grants <ul style="list-style-type: none"> Reduce grants to United Cerebral Palsy, KCDHH administrative grants, Kan-Sail administrative grants, and administrative training grants. 	(104,959)	(185,295)	(133,723)	(302,105)
Reduce MediKan rate to Community Mental Health Centers	(466,667)	(466,667)	(1,400,000)	(1,400,000)
Reduce Foster Care contract rate by 5%	(1,797,282)	(1,950,637)	(3,273,750)	(4,761,818)
Reduce Family Preservation contract rate by 2.5%	(16,219)	(106,454)	(252,091)	(255,489)
Reduce Adoption contract rate by 2.5%	(247,853)	(360,458)	(618,120)	(900,000)
Limit prescription drug supply to 31 days	(199,000)	(500,000)	(196,750)	(500,000)
Require prior authorization to access Cox II anti-inflammatory drugs <ul style="list-style-type: none"> Cox II anti-inflammatory medication will only be authorized for person with ulcers or persons on medication that causes gastro-intestinal distress. 	(199,000)	(625,000)	(590,250)	(1,500,000)

Description	FY 2003 SGF	FY 2003 All Funds	FY 2004 SGF	FY 2004 All Funds
Reduce Family Support for Developmental Disability Waiver <ul style="list-style-type: none"> Families with minor or adult children living at home receive attendant care services funded by the DD waiver. The number of hours of services these families receive will be reduced by an average of 10% 2,200 families may receive fewer services 	(398,900)	(1,000,000)	(1,574,000)	(4,000,000)
Eliminate the Protection Reporting Center (eliminate 9 FTE) <ul style="list-style-type: none"> The responsibility of receiving and screening all child and adult abuse/neglect concerns will be distributed among the 11 SRS management areas, depending on where the child/family or adult resides. Concerns made after normal business hours can be made to local law enforcement agencies or a 1-800 abuse hotline. 	(50,157)	(78,346)	(200,381)	(312,998)
<i>Governor's November 2003 Allotment Reductions partially restored in FY 2004</i>				
Reduce Community Mental Health Center State Aid <ul style="list-style-type: none"> Reduce formula grants to Community Mental Health Centers (CMHC) that support their general provision of services and infrastructure. Some CMHCs use these funds as certified match for federal Medicaid 	(2,500,000)	(2,500,000)	(1,500,000)	(1,500,000)
Reduce Community Developmental Disability Organization State Aid <ul style="list-style-type: none"> Reduce formula grants to Community Developmental Disability Organization (CDDO) that support their general provision of services and infrastructure. Some CDDOs use these funds as certified match for federal Medicaid. 	(1,996,500)	(1,996,500)	(1,500,000)	(1,500,000)
Raise HealthWave Premiums <ul style="list-style-type: none"> Triple HealthWave Premiums from \$10 to \$30 and \$15 to \$45 based family income in FY 03; Double rates from \$10 to \$20 and \$15 to \$30 in FY 04 5,800 families will be subject to higher premiums 1,475 children could drop coverage based on national studies of experiences in other states. 	(91,628)	(328,650)	(359,150)	(1,288,200)
<i>Governor's November 2003 Allotment Reductions restored in FY 2004</i>				
Reduce Head Start grants <ul style="list-style-type: none"> Reduce the Kansas Early Head Start program by \$300,000. Approximately 70 children and 82 families will be affected by the reduction in Early Head Start funding. 	(119,400)	(300,000)	0	0

Description	FY 2003 SGF	FY 2003 All Funds	FY 2004 SGF	FY 2004 All Funds
Reduce Child Welfare grants <ul style="list-style-type: none"> The reduction of the disability advocacy contract will reduce the number of children receiving assistance in obtaining federal disability. 	(127,548)	(180,000)	0	0
Eliminate Economic and Employment Services Grants <ul style="list-style-type: none"> Reduce the TAF and GA disability advocacy contract Eliminate professional development contract 	(118,496)	(320,000)	0	0
Reduce Child Care eligibility 185% FPL to 150% FPL <ul style="list-style-type: none"> The maximum income to receive child care subsidies for a family of three will decrease from \$2,316 to \$1,878 per month, a 19 percent reduction. Approximately 1,288 families and 2,092 children will lose their eligibility for subsidies. Restored to 185% FPL in FY 2004 	(831,798)	(2,089,944)	0	0
Reduce Protected Income Level for Waivers to \$645 <ul style="list-style-type: none"> The PIL allows persons served with waiver funding to keep higher amounts of income for housing, utilities, food and transportation. This lowers the amount these persons are allowed to keep for these expenses by requiring them to pay more for medical care. The average additional amount paid by these persons will be \$516 per year. 1,205 persons on the DD waiver 1,160 persons on the PD waiver 42 persons on the Head Injury (HI) waiver Restored to \$716 in FY 2004 	(186,635)	(468,931)	0	0
Reduce CFP Family Services/Community Services <ul style="list-style-type: none"> Approximately 6 families will not receive services as a result of the reduction in Family Services. 	(32,116)	(63,470)	0	0
Eliminate the emergency shelter case management funding <ul style="list-style-type: none"> Approximately 3,636 children may not receive case management services as a result of the elimination of this funding which could result in fewer benefits for early intervention. Fully restored in FY 2004 	(600,523)	(600,523)	0	0
State Hospital hiring freeze and/or workforce reductions <ul style="list-style-type: none"> 1 out of every 9 positions will be kept vacant. This represents a reduction in workforce. 	(762,282)	(762,282)	0	0
Reduce State Hospital OOE expenditures <ul style="list-style-type: none"> Reduce maintenance and upkeep of hospital buildings and grounds and supplies available for administration and resident use. 	(750,000)	(750,000)	0	0

Description	FY 2003 SGF	FY 2003 All Funds	FY 2004 SGF	FY 2004 All Funds
Increase SRS Field Office Shrinkage rate from the approved 7.25% to 12% for FY 03; to 10.7% as submitted in the FY 04 budget <ul style="list-style-type: none"> 1 out of every 8 positions will be kept vacant. 	(2,346,121)	(5,350,024)	0	0
Reduce Substance Abuse Prevention & Treatment grants <ul style="list-style-type: none"> Reduce grants not directly related to direct consumer services. 	(53,653)	(503,300)	0	0
Raise Physical Disability Waiver Level of Care Score to 30 but grandfather those in service <ul style="list-style-type: none"> 118 of the 674 persons on the waiting list would not qualify for PD waiver services The GBR lower the LOC back to 26 in FY 2004 	(47,820)	(120,150)	0	0
Reduce PD Waiver rate 2.5%	(139,986)	(366,598)	0	0
Reduce HI Waiver rate 2.5%	(17,125)	(37,266)	0	0
Reduce DD Waiver rate 5%	(976,776)	(2,448,673)	0	0
Eliminate Medicaid coverage for adult vision <ul style="list-style-type: none"> 10,500 persons will experience a delay in receiving eye examinations or glasses. 	(208,333)	(458,333)	0	0
Eliminate Medicaid coverage for adult audiology <ul style="list-style-type: none"> 4,500 person will experience a delay in receiving hearing tests or hearing aids 	(83,333)	(166,667)	0	0
Eliminate Medicaid coverage for incontinence supplies <ul style="list-style-type: none"> 513 persons will not have diapers purchased through Medicaid for incontinence 	(166,667)	(416,667)	0	0
<i>Other Reductions</i>				
Pend Medical Claims <ul style="list-style-type: none"> Medicaid payments for claims from hospitals, physicians, pharmacy, and home health will be held for about the last 12 days of FY 2003 and paid immediately in FY 2004. 	(6,200,000)	(15,500,000)	6,200,000	15,500,000
Funding shifts <ul style="list-style-type: none"> Shift antipsychotropic medication funding from SGF to pharmacy manufacturer rebates (fee fund) Medicaid Federal Match percentage increase Increase IGT funding in waivers 	(4,000,000)	0	(15,570,000)	0
Tighten eligibility for TANF Transitional - Medical program by requiring reapplication after 6 months	0	0	(865,700)	(2,200,000)

Description	FY 2003 SGF	FY 2003 All Funds	FY 2004 SGF	FY 2004 All Funds															
Reduce Intermediate Care Facility for Mental Retardation rates by 10%	0	0	(784,973)	(1,994,848)															
<i>Additions</i>																			
Consensus Caseload Adjustments:	21,672,037	56,280,910	48,513,467	128,900,925															
	<table border="0"> <tr> <td></td> <td colspan="2">FY 03</td> <td colspan="2">FY 04</td> </tr> <tr> <td></td> <td>SGF</td> <td>AF</td> <td>SGF</td> <td>AF</td> </tr> <tr> <td></td> <td colspan="2">(in millions)</td> <td colspan="2">(in millions)</td> </tr> </table>			FY 03		FY 04			SGF	AF	SGF	AF		(in millions)		(in millions)			
	FY 03		FY 04																
	SGF	AF	SGF	AF															
	(in millions)		(in millions)																
Medical	\$21.7	\$55.8	\$46.9	\$120.0															
NFMH	0.7	\$1.0	(\$0.8)	(\$0.6)															
Adoption	0.3	0.6	0.7	1.4															
Foster Care	(0.9)	(2.0)	0.8	2.0															
TANF	0.0	1.1	0.0	5.2															
GA	(0.1)	(0.1)	0.9	0.9															
Replace Intergovernmental Transfer funds with SGF	0	0	74,800,000	0															
Urban Crisis Care <ul style="list-style-type: none"> Funds have been made available to address crisis mental health services in urban areas. 	0	0	1,000,000	2,510,040															
Fund parent fees shortfalls <ul style="list-style-type: none"> Replace fee funds and increase federal expenditure authority for parental fees not collected for services provided by the serious emotional disturbance(SED) waiver, the developmental disability (DD) waiver, the technology assisted (TA) waiver, and family preservation contract. 	0	1,746,000	1,234,480	3,520,000															
Fund HCBS Waiting Lists <ul style="list-style-type: none"> Increase funding for Developmental Disability and Physical Disability Waivers <table border="0"> <tr> <td></td> <td>SGF</td> <td>AF</td> </tr> <tr> <td>DD waiver</td> <td>2.0</td> <td>5.1</td> </tr> <tr> <td>PD waiver</td> <td>1.0</td> <td>2.5</td> </tr> </table> 		SGF	AF	DD waiver	2.0	5.1	PD waiver	1.0	2.5	0	0	3,000,000	7,623,888						
	SGF	AF																	
DD waiver	2.0	5.1																	
PD waiver	1.0	2.5																	
Fund Medicaid Coverage for children aging out of the foster care	0	0	64,470	162,500															
Fund HealthWave caseload increases	0	0	3,091,526	12,025,000															
Intensive services for at risk General Assistance/MediKan recipients	0	0	334,400	500,000															
Fund Sexual Predator Treatment Program census increase	0	0	1,589,719	1,589,719															
Fund current Sexual Predator Transition Program census	0	0	100,000	100,000															
Fund Rainbow Mental Health Facility <ul style="list-style-type: none"> This will allow RMHF to remain open after 7/1/2003 	0	0	3,867,158	6,819,608															

Description	FY 2003 SGF	FY 2003 All Funds	FY 2004 SGF	FY 2004 All Funds
<i>Children's Cabinet Additions</i>				
Add CIF for Smart Start in Children's Cabinet	0	0	0	1,300,000