

Agency Budget Reductions for Health & Human Resources

Presented To:

Senate Finance Health & Human Resources Subcommittee

By:

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Health & Human Resources Agency Reductions

- Reductions were announced in early September making this the fourth reduction exercise for HHR agencies in the past four years
- Total September reductions for the HHR agencies was \$203,165,141

Guiding Principles For Reductions

- Plan was prepared using the principles of:
 - Transparency
 - Focus on performance and priorities
 - Protection of core services and priorities
 - Decision-making that positions the Commonwealth for long-term success
- Consideration was also given to preserve ability to match federal funding sources and ensure maintenance of effort requirements

Additional Considerations for Reductions

- Minimizing impact on direct services
- Priority on reducing central office and administrative positions vs. field staff whenever possible
- Decrease usage of contracts and P-14s
- Maintain funding for initiatives critical to maintaining services, retaining accreditation and supporting the healthcare workforce

Department of Behavioral Health and Developmental Services

■ Overview of DBHDS Reductions

- Mental Health Facilities – \$13,124,221
 - 83 FTEs affected
- Training Centers – \$4,772,284
 - 22 FTEs affected
- Community Services Boards – \$12,203,180
- Central Office – \$4,632,188
 - Closing Community Resource Pharmacy
 - 29 positions affected

Department of Medical Assistance Services

- Approach to identifying FY10 budget reductions:
 - Maximize federal revenue
 - Identify any programs/areas that are expected to have a GF balance in the current year
 - Identify savings actions that did not require regulatory changes
 - Identify program efficiencies and cost avoidance actions
 - Postpone/Eliminate program expansions rather than cut existing programs/clients

Department of Medical Assistance Services

- **Total FY10 Reduction: \$107,387,201**
- Reduce Jan. 2010 ID/MR Waiver slots by 100
 - GF Reduction: (\$1,235,099)
- Reduce Indigent Care funding by 3% at VCU and UVA
 - GF Reduction: (\$7,000,000)

Virginia Department of Health

- **Overall VDH General Fund Impact: \$18,567,011 (11.5%)**
 - 16 positions affected
- **Consideration was given to:**
 - Preserve human resources for statewide novel H1N1 Vaccination Campaign
 - Preserve capacity to perform core public health functions
 - Continue emphasis on reducing discretionary spending, operating efficiencies, eliminating vacant positions, consolidation opportunities
 - Minimize impact on services in the community
 - Identify programs where original goals were accomplished or where programs were not effective in achieving goals
 - No Impact to the Office of the Medical Examiner

Department of Social Services

■ Overview of DSS Reductions:

- Total GF Reductions (\$4,926,758)
- 25 Positions Affected
- Reductions Based On:
 - Preserving local social services delivery infrastructure
 - Protecting core and mandated services
 - Preserving ability to match federal funding sources

Additional Agency Reductions for Health & Human Resources

Total General Fund Impact for FY 2010:

- **Department of Aging: \$1,086,211**
 - *This represents 5.9% of the VDA General Fund budget*
- **Department for the Blind and Vision Impaired: \$220,000**
 - *This represents 3% of the DBVI General Fund budget*
- **Department for the Deaf and Hard-of-Hearing: \$93,164**
 - *This represents 6.8% of the VDDHH General Fund budget*
- **Department for Rehabilitative Services and the Woodrow Wilson Rehab Center: \$3,667,534**
 - *This represents 11% of the DRS & WWRC General Fund budget*
 - *36 positions affected*