Attachment B

Reduction	SGF	All Funds	Avg Monthly Persons	How have services that your agency provides been impacted or will be impacted?	Has the public noticed the impact of any reductions that you have made and how are they being affected by the reductions?
Final FY 2010 Appropriation Bill					
Renegotiate Foster Care	14,099,718	15,056,820		The renegotiated foster care contracts preserve essential services and maintain outcomes for children while simultaneously producing a significant amount of savings. The new contracts also create structural efficiencies by consolidating ten contracts into five and by incorporating functions from the adoption contract.	No children are affected by the renegotiation.
Limited Adoption Contract	1,399,228	1,399,228		The revised adoption contract is limited to the statewide adoption exchange and outreach to potential adoptive parents. The recruitment and training of adoptive parents is shifted to the foster care contracts.	No reduction in the pool of potential adoptive parents has occurred. The number of adoptions is projected to rise in FY 2010.
Reduce Funeral Assistance	290,000	290,000		The reduction in funeral reimbursement from $680 to $550 shifts a portion of the burial costs to very low income families who often cannot afford basic needs. The level of funerals in FY 2010 may require a suspension of the program effective May 1, 2010.	Approximately 1,130 families will receive a lower reimbursement for funeral expenses.
Integrate Grandparents as Caregivers into Temporary Assistance for Families (TAF)	1,165,320	1,165,320		Financial assistance to grandparents is continued in the Temporary Assistance for Families program. The policy change required grandparents to cooperate with child support enforcement and removed the more stringent income limit that existed for the Grandparents as Caregivers Program.	Of the 151 families receiving assistance through the Grandparents as Caregivers Program in June 2009, 93 received TAF assistance in July 2009.

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Release CINCs from SRS Custody at Age 18	1,532,318	1,687,876	76	Services to young adults formerly provided through foster care are preserved through independent living assistance. Key services include housing, medical, and continuing education. Since this policy change, the agency has emphasized earlier planning with older foster care children to better prepare them for living independently.	The agency has been working locally in communities regarding implementation and has heard few negative comments. Young adults released from foster care receive the same or expanded services that were received during their stay in foster care. Courts first review independent living transition plans before the release from foster care and have been open in communication with agency if plans do not meet the needs of the young adult.
No SRS Custody for CINC-NANs 16 & over	2,280,052	2,561,769	156	Services to youth age 16 and 17 previously in foster care are now provided through in-home prevention services. These services are aimed at keeping families intact. The savings from this policy are the net of foster care savings and increases in in-home prevention services.	In-home prevention services are more effective and appropriate for these youth. The agency has received very few concerns from families regarding this change in law. We continue to assess and support communities to have capacity to provide in-home services. There have been intermittent frustration expressed from families regarding access to mental health services for these youth and the agency has worked with the family to identify resources in their community for such service.
Limit General Assistance (Cash) Tier II to 18 Months	2,886,229	2,886,229	1,503	No offsetting services are in place for this policy change.	The agency assumes the loss in financial assistance to some of the 1,500 adults with severe physical and mental impairments will be mitigated by the families who care for them, or by local helping agencies. In many cases, the loss may not be replaced. Equally important, these adults lost medical coverage.
Reduce CMHC Grants	4,500,000	4,500,000	1,573	These grants are used to serve persons with mental illness who do not have the ability to pay, especially persons with a severe and persistent mental illness (SPMI) and children with a serious emotional disturbance (SED). To address this funding cut SRS agreed that, for the first time	CMHCs are doing all they can to avoid establishing waiting lists. This includes cutting administrative support staff who do not provide treatment, continuing to freeze wages, reducing clinical supervision, and ensuring persons they serve who may be Medicaid eligible are assisted with their eligibility (see

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				ever, CMHCs could begin a waiting list of community mental health services. SRS allows CMHCs to prioritize their services as follows: · First, provide crisis mental health services; · Second, complete inpatient screenings that are not paid in any other way; · Third, serve persons in the target population who do not have the ability to pay including: · Youth who have an SED; · Adults who have an SPMI; and · Persons who, due to their mental illness are: o At risk of requiring inpatient mental health care and treatment; or o Causing or at serious risk of causing serious harm to themselves or others; or o Likely to experience serious deterioration in their mental health if they do not receive community mental health treatment; or o Homeless or at risk of homelessness; or o At risk of being jailed. · Fourth, actively participate in discharge planning for persons served in a state mental health hospital, nursing facility for mental health (NF/MH), or psychiatric residential treatment facility (PRTF); · Fifth, serve persons not in the target population who do not have the ability to pay. These people may need to wait for services until they decompensate and are in need of immediate services. These effects will be exacerbated when persons lose MediKan	Medicaid cut below). When these efforts are insufficient, CMHCs will start waiting lists. County Commissioners recognize the reduction in state support and, when pressed with their own revenue challenges, are beginning to reduce their support for CMHCs. CMHCs will find it difficult to accurately predict when someone needs immediate services that would prevent them from needing inpatient or state mental health hospital services. Admissions to state mental health hospitals that could have been prevented will increase.

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				coverage as a result of reducing eligibility from 24 to 18 months and seek CMHC services provided by grant funds.	
Reduce AAPS Grants (Shift AAPS SGF to fee fund	600,000	600,000	N/A	This shift lessened the program's ability to meet the additional reductions without impacting services.	No public impact on this shift alone.
Reduce DD Day & Residential and Family Support grants	4,000,000	4,000,000	2,450	1. 346 persons who were receiving SGF funded day and/or residential services refinanced to the HCBS/MR/DD waiver. They did not lose services, but may now experience high client obligations as a result of the change in the funding source. 2. 10 persons have lost their day and residential services. 3. 394 persons have lost their family support/subsidy funding. 4. 142 persons have experienced a reduction in their amount of family support/subsidy funding. 5. CDDOs have reduced reimbursement to providers for day and residential services provided through the SGF funded program. 6. CDDOs have used State Aid funds to reimburse for services that were funded through the SGF program thereby decreasing the funding for children's programs and transportation.	The public may be asked to assist with funding children's programs and provide transportation for individuals that no longer have access to those services.
Cancel BARS contract	100,000	100,000	N/A	This work is being performed by another contractor.	No known impact.
Shift $600,000 AAPS Grants to Gaming Revenue/Reduce Expenditures by $200,000	800,000	800,000		While the net effect of this reduction was to be only $200,000, the estimated revenue in FY10 to this gaming fund was lowered after the appropriation bill from $600,000 to $427,597. Because no revenue was expected for many months and due to the uncertain economy, the full	306 fewer individuals have been served during the 1st quarter of FY10 in comparison to the 1st quarter of FY 09. Some programs have closed satellite locations and more individuals are waiting for a treatment slot to become available. Further reductions will continue to impact the availability and

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				$800,000 (in addition to the $1.4 listed below) was reduced and passed on to providers at the start of FY2010.	access to needed services, especially in the rural and frontier areas of the state.
Reduce MediKan Mental Health eligibility from 24 to 18 months	2,660,742	2,660,742	142	Persons previously eligible for MediKan who need community mental health services will seek services from the CMHCs who will need to provide those services with ever shrinking grant funds. If these persons do not meet the definition for priority populations, they may need to wait and will only be served if they decompensate and are in need immediate services.	See $4.5 million CMHC grant cuts above.
FY 2010 Omnibus Bill					
Reduce General Assistance Monthly Cash Grant to $100	1,470,432	1,470,432	3,231	No offsetting services are in place for this policy change.	The reduction in financial assistance represents an approximate 40% decrease. This reduction affects adults with disabilities that prevent employment.
Reduce Day & Residential and Family Support grants	2,,788,174	2,,788,174	2,450	Same as above. The amounts were combined to reduce the 1st and 2nd quarter payments to the CDDOs.	Same as above.
Reduce Mental Health Grants	2,500,000	2,500,000	874	See $4.5 million CMHC grant reduction above.	See $4.5 million CMHC grant cuts above.
Miscellaneous DBHS Contracts	489,715	489,715		The reduction of these funds limit the ability of DBHS staff to obtain independent, external assistance in the development, implementation and/or review of such program management and infrastructure items as: review of specific accounting and budgeting information from providers, rate study information, rate setting reviews, and federal or other requirements associated with DBHS programs.	Providers will receive slower responsiveness from DBHS on a variety of technical infrastructure issues associated with program management. Independent input into the development of these processes, and review of their implementation, will be limited.

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Reduce Community Medication program	560,285	560,285	174	These funds purchase atypical antipsychotic medication for persons who have no other means to pay for these medications. Without needed medication persons experiencing active symptoms of severe mental illness may decompensate and require more restrictive and more expensive inpatient treatment and unnecessary readmissions.	Fewer people have access to funding for needed mental health medications. The impact is difficult to determine since information about those who do not receive these services has not been compared with other mental health data, such as state mental health hospital admissions.
Reduce Substance Abuse Grants	1,400,000	1,400,000		Short term impacts of these reductions have been identified: 306 fewer individuals have been served during the 1st quarter of FY10 in comparison to the 1st quarter of FY 09. Some programs have closed satellite locations and more individuals are waiting for a treatment slot to become available. Further reductions will continue to impact the availability and access to needed services, especially in the rural and frontier areas of the state. As the result of the reductions in FY 2010, SRS is $3 million short of the maintenance of effort requirements set forth by the Substance Abuse Prevention and Treatment block grant.	KDOC funds for the 4th time DUI offender program were also reduced by 70% in FY 10. As a result, the number of providers able to serve this population decreased from 59 to 20. In addition, only a limited number of outpatient services are available under the new program. This means any 4th time DUI offender who also meets federal poverty guidelines may access block grant funding in order to receive other types of treatment services that may be clinically indicated. This places an even greater demand on the block grant funded system. The effect of single program reductions, when experienced simultaneously, has a grave impact on treatment providers' ability to remain viable and ensure access to needed services.
Jul 2009 Allotment					
TANF Contingency Fund transfer to Dept. of Revenue for Earned Income Tax Credit Refunds	-	18,687,361		The dual purpose of this transfer is to provide financial assistance to working, low income households and to reduce the level of state fund reductions that SRS would have otherwise faced. The use of the TANF Contingency Fund cannot be repeated in the future because of the erosion in the TANF excess MOE which, in turn, affects the TANF work participation rate.	No SRS programs were impacted by this reduction. However, had the funds been used for expanded services rather than replacing state funds, valuable one-time services to TANF families could have been considered.

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Nov 2009 Allotment					
Reduce General Assistance (Cash) Tier II from 18 Months to 12 Months	288,000	279,605	480	No offsetting services are in place for this policy change.	The agency assumes the loss in financial assistance to some of the 480 adults with severe physical and mental impairments will be mitigated by the families who care for them, or by local helping agencies. In many cases, the loss may not be replaced. Equally important, these adults will lose medical coverage.
Replace SGF with TANF	2,000,000	-	10,878	This measure uses $2.0 million of the $6.2 million in projected TANF balances at the close of FY 2013 to replace state funds. If TAF caseloads rise more than projected, other reductions may become necessary.	No SRS programs are impacted by this reduction. Future impacts will depend on the growth in the TAF caseload.
10% Medicaid Reimbursement Rate Reduction – Mental Health Services	6,172,512	13,091,013		This is will reduce community mental health Medicaid payments by at least $4.8 million in the last six months this year. This will seriously affect the financial viability of many CMHCs. As many as one third of CMHCs experienced an operating loss in their last reported fiscal year. The Medicaid rate reduction will worsen this situation and could threaten the ability of some CMHCs to remain open. Some CMHCs have already begun laying off staff. Other effects will be better known in the weeks ahead once CMHCs have a chance to assess the impact. The impact is similar for private community mental health Medicaid providers. However, since they are not statutorily required to provide public mental health services, private providers may simply choose to discontinue serving Medicaid recipients, thereby reducing their choice of providers. Nursing Facilities for Mental Health	Reductions have not taken effect, so affects have not yet been felt.

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				(NF/MHs) and Psychiatric Residential Treatment Facilities (PRTFs) will be seriously affected by these cuts. NF/MHs are the lowest reimbursed of the nursing facilities. Both NF/MHs and PRTFs must meet required federal Medicaid certification (licensing) rules. Meeting these requirements at current reimbursement rates is difficult for some facilities. Funding cuts may result in increased serious deficiencies, some that put residents at risk of harm. Some facilities may choose to close or be forced out of business. Residents in these facilities will need a home with intensive supervision for them to live successfully in the community or they will be referred to state mental health hospitals, who are also experiencing budget cuts. The number of families in crisis will increase if children with a serious SED are returned home. There could also be an increase in homelessness for adults with an SPMI.	
10% Medicaid Reimbursement Rate Reduction – Community Supports & Services	6,175,512	13,091,013		Projected Impact: 1. We will see larger group living arrangements. Providers will move individuals from 2-4 bed homes into 5-7 bed homes to decrease the number of staff needed. 2. May see an impact on the quality of care due to a higher staff to consumer ratio in the day and residential settings. 3. Providers that have not been fiscally sound will go out of business. 4. Smaller providers may be forced out of business. 5. Individuals who self-direct their	Rate reduction to be implemented January 1, 2010.

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				services will not be able to find attendants due to the decrease in the hourly rate.	
10% Medicaid Reimbursement Rate Reduction – Addiction and Prevention Services				The network of providers who deliver substance abuse services in Kansas has relied on Medicaid funding to offset lower rates of reimbursement in other publicly funded programs. As a result, this 10% reduction will be experienced by providers, and ultimately, by consumers at a much higher percentage. Capacity for needed services will continue to shrink and waiting lists for this population may become a reality. This reduction in rates will also reduce the managed care organization's amount they receive for administration. In this case, a reduction in the number served is not anticipated so essentially the managed care organization will have to look for savings elsewhere which may impact the state's ability to meet CMS requirements.	While the full impact of the reductions will not be realized for several months, the actions taken by providers in response to the earlier reductions will continue and accelerate. These actions include: --Reduced medical services at the treatment center which result in more referrals to the hospital emergency room --Reduced dollars for client medications which ultimately effects client outcomes --Reduced dollars for transportation of clients --Loss of a Program Chaplain --Reduced full time positions to part time to eliminate employee benefit costs --Not being able to fill open positions. Transferring staff duties to cover the mandated duties of the open position --Considering layoffs and furloughs as a last ditch effort to reduce costs
Reduce DD Day & Residential and Family Support Grants	1,300,000	1,300,000	2,450	Projected Impact: Further reductions in the number of individuals that receive family support/subsidy. Individuals will loss day and residential services that are funded the SGF program. Decreased payments to day and residential providers for those individuals that do continue to receive services.	
Reduce Mental Health Grants	3,983,347	3,983,347	1,380	See the $4.5 million and $2.5 million CMHC grant cuts above. These cuts are made worse by making them in the last six months of the year. This explains the disproportionately high impact of persons served. These	Waiting lists will have to be established and all of the potential effects listed in the $4.5 million grant cut will occur in many places throughout the state.

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				effects will be further exacerbated when persons lose MediKan coverage as a result of reducing eligibility from 18 to 12 months and seek CMHC services provided by grant funds.	
Reduce Substance Abuse Grants	275,000	275,000		This reduction, as well as a portion of the $2.2 million listed above, was absorbed primarily by prevention related grants and contracts. *These agencies have also received grant reductions from the Juvenile Justice Authority*. As the lead agency for substance abuse prevention in the state, these reductions will challenge SRS' capacity to meet federal requirements, address emerging issues and assist communities and coalitions working to reduce underage drinking and other health concerns. The contractor responsible to ensure that Kansas is in compliance with the Synar amendment has also been reduced. While Kansas is experiencing favorable outcomes this year, failure to meet state Synar compliance goals in 2005 resulted in a fine of over 2 million dollars in 2005.	The regional prevention system had already experienced level funding for nearly 10 years prior to the budget reductions. As a result, some agencies have been forced to reduce the total number of coalitions they work with and limiting their support to selected "targeted communities". In some communities, many coalitions have folded or are on the brink of disbanding. Attempts are made to respond to requests for prevention services in those communities, but travel there has been restricted which impacts the provider's ability to mobilize and build the capacity of residents. As a result, prevention agencies in Kansas are providing less prevention services in fewer areas. Some agencies have reduced staffing and/or not filled open positions. As our delivery of services to our communities and coalitions decrease, we can expect the rate of substance abuse to increase. As substance abuse rates increase, more demands for social, educational and correctional services will increase. Some regions are also experiencing a boom in population growth without an increase in staffing, thus impacting the provider's ability to serve the region they are responsible for.
Reduce MediKan Mental Health Eligibility from 18 months to 12 months	465,552	465,552	216	See MediKan eligibility reduction from 24 to 18 months above.	See MediKan eligibility reduction from 24 to 18 months above.
Reductions of Operating Expenditures in Hospitals	3,002,763	3,002,763		The Mental Health Hospitals are expecting to save SGF through	These actions have a direct impact on the patients these facilities operate.

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				various personnel actions and OOE reductions. At LSH these actions include eliminating the clothing and supply function, the print shop function; reducing the capacity of the Female Unit on the SSP from 30 to 20 beds, and increasing vacant positions (shrinkage). At Osawatomie savings in other operating expenditures will be achieved by deferring some routine maintenance and having repairs and maintenance performed only where absolutely necessary. Inventories of office supplies, food, drugs, and other professional supplies will be kept to the absolute minimum; purchase of these items will be on an as needed basis. The Developmental Disability Hospitals are expected to achieve reduced expenditures through consolidating the client's living spaces; continuing the hiring freeze that is currently in place; and reducing staff travel and supply purchases. KNI will continue to see reduction in expenditures through the consolidation of a home in FY 2009 and will start the consolidation of an additional home in 2010. Parsons will close Willow cottage in FY 2010 and consolidate these residents into another cottage.	There will be increased crowding of patients at KNI and Parsons as the homes and cottages are consolidated. This has historically resulted in an increased incidences of staff and patient injuries. The Mental Health Hospitals are operating at the bare minimum staffing to ensure active treatment and the safety of staff and patients. Further reductions of the MH hospital budgets would necessitate the need to cease voluntary admissions at the mental Health Hospitals and the closure of patient units. Current shrinkage rates at the Mental Health hospitals are running from 6.9 percent to 14.0 percent. Any further reductions, without reducing patient census, could put the hospital at risk of losing their license and certification.
Salaries and Wages			**FTE**		
Reduction in salary budget since the start of the FY 2009 Legislature	8,197,194	16,394,388	332	Field staff are handling more cases as SRS operates with considerably less staff.	The public may notice delays in some services due to overburdened staff.