



AREA AGENCIES ON AGING ASSOCIATION OF MICHIGAN
ASSOCIATE MEMBER NEWS
Week of March 8, 2010

In Lansing this week . . . the Senate Community Health Subcommittee approved the Governor's 8% cuts in programs funded by the Office of Services to the Aging (OSA) for FY 2011, but added more money to the MI Choice Waiver so even more people can be transitioned from nursing homes to the community.

The 8% OSA cuts total \$2.3 million and would affect senior meals, in-home services, care management, caregiver supports, access services and volunteer programs. The Subcommittee would also eliminate a \$120,000 grant for tribal elders. The Subcommittee funded MI Choice at \$196 million, \$6 million more than the Governor recommended, with the additional funds to be used for transitions. The Senate Subcommittee budget (Senate Bill 1152) is just the first step in budget development process – next, the budget bill goes to the full Senate Appropriations Committee, where it can be amended.

The Subcommittee is chaired by Senator Roger Kahn MD (R-Saginaw), and includes John Pappageorge (R-Troy), Tom George MD (R-Kalamazoo), Tony Stamas (R-Midland), Deb Cherry (D-Burton), Mickey Switalski (D-Roseville) and Jim Barcia (D-Bay City). Cherry and Switalski voted against the Community Health budget bill while the rest voted in support.

Senator Kahn added two new boilerplate items to SB 1152 dealing with OSA programs. The first would require that initial care management assessments be done by a registered nurse, and the second directs OSA to report to the Legislature the amount spent on home-delivered and congregate meals in FY 2010.

Senator Kahn noted that the Community Health budget he developed did not depend on new revenues and was balance based on cuts – the budget did not assume approval of the physician tax or any of the Governor's other revenue-generating ideas. The biggest cuts would come from: 1) eliminating the 3% cola for state employees; 2) cuts in Healthy Michigan programs; 3) a \$53 million cut in mental health general funds; 4) elimination of Medicaid benefits for caretaker relatives and 19/20 year olds; and 5) a 4% cut in physician payments with the exception of ER, OB, PED and primary care. Some of the Governor's cuts are restored by the Subcommittee, namely: 1) paying for background checks for adult foster care homes/homes for the aged; 2) reducing cuts to public health; 3) restoring funds for traumatic brain injury pilots; 4) restoring prescription drug website; 5) restoring Medicaid benefits for adult dental, podiatry and vision services.

While no tax increases are assumed, there are some optimistic assumptions for the recovery of state monies through the implementation of estate recovery, private insurance recoveries and fraud & abuse efforts. A detailed analysis on the Senate Subcommittee's recommendations can be found at http://www.senate.michigan.gov/sfa/Departments/DecisionDoc/DDdch_web.pdf