



Fiscal & Administrative Solutions

James F. Moran, Deputy Commissioner

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MEMORANDUM

TO: MH/MR County Administrators

FROM: James F. Moran *James F. Moran*

DATE: May 21, 2009

RE: Reduction in Local Assistance

While the 2009-10 enacted State Budget passed by the Legislature included the restoration of some of the proposed reductions, such as Unified Services (restored until July 2010), the exempt income provision under the Long Term Sheltered Employment program and the day habilitation adjustment (also restored until July 2010), there were other savings actions that we need to implement. These include a \$10 million savings in state aid through the conversion/reinvestment of existing sheltered workshop funding to services under the Home and Community Based Services Waiver (HCBS) and the elimination of state aid funding that supports clinics in the county, operated either by a voluntary agency or the county itself.

1) **Reinvestment of state aid funding to the HCBS waiver.**

This initiative involves state aid to the county that currently funds a voluntary agency's operations being transferred or reinvested in an HCBS waiver or Medicaid program. (This initiative could also involve a direct contract with the state as well). In effect, the state aid or contract amounts would be reduced and the funds would move to an appropriate HCBS waiver program to reflect individuals being enrolled in the HCBS program and billing the Medicaid system. Since a state and federal share for the HCBS waiver services would be generated, savings in state aid will be realized. Ideally, the \$10 million savings target can be accomplished through this mechanism. However, to the extent this goal cannot be reached, we will need to work with you and the voluntary agencies to assess what other actions can be taken to close any gap. We are currently in discussions with our District Offices and the voluntary agencies in developing this initiative. For effective planning purposes, we are also asking those District Offices with Unified Services counties to evaluate this impact as well. Although this reduction was delayed until July 2010, we need to keep this in our sights and keep working towards possible solutions. We anticipate having draft savings plans in place by the end of this June. The success of these plans will determine what additional actions need to be taken, including adjustments in state aid for county administration. Our plan is to begin making revised state aid

payments in the last quarter of this year (October 2009) or sooner if the plans permit earlier adjustments.

One area for the counties to consider in terms of savings may be in the Federal Salary Sharing program. In the near future, Federal Salary Sharing (FSS) surveys will be sent out to all counties in an effort to capture staff titles that may be eligible for reimbursement through FSS. When you receive one, please take a moment and reflect on the staff titles that may be eligible for FSS; doing so will help in the overall \$10 million dollar saving OMRDD is required to meet.

2) State Aid Reductions for Clinics

The 2009/10 enacted budget eliminates state aid supplementation for clinics operated either by a voluntary agency or by the county. Unfortunately, the State's current fiscal condition does not allow OMRDD to continue to supplement select clinic operations. This funding will be eliminated for the New York City clinic providers effective July 1, 2009; and for the rest of the affected counties and agencies, this reduction is effective January 1, 2010.

Thank you in advance for your participation during this difficult financial time and for understanding that we all have to share in this burden.

cc: Commissioner Ritter
Mr. Chmura
Ms. Broderick
Mr. Smits
Ms. O'Horo
DDSO Directors and Liaisons
Mr. Kiyonaga
Mr. Smith
Ms. Haneman



Putting People First



David A. Paterson, Governor
Diana Jones Ritter, Commissioner

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December 9, 2009

Thomas Farley, M.D., M.P.H.
Commissioner
New York City Department of Health
and Mental Hygiene
93 Worth Street
New York, NY 10013

Dear Dr. Farley:

The Legislature recently passed a 2009-10 Deficit Reduction Plan (DRP) that will close \$2.7 billion of a \$3.2 billion Budget gap in New York State. This plan includes a 10 percent reduction in various OMRDD programs. One of the programs affected is the state aid that OMRDD advances to New York City (NYC) on a quarterly basis for administration, sheltered workshop programs and other services in NYC supporting individuals with developmental disabilities. Unfortunately, beginning with the January 2010 payment, the overall amount of state aid will be reduced by 10%. On an annual basis, the reduction totals \$1,251,000. The 2009-10 state aid letter will be reduced by \$625,500 to reflect the January to June 2010 amount with the 2010-11 state aid letter reflecting the full annual adjustment.

Please submit a plan for our review and approval on how the 10 percent reduction will be applied for the balance of the NYC fiscal year keeping in mind that the most critical services to people with developmental disabilities must be maintained. Please submit your plan to John Smith (John.F.Smith@omr.state.ny.us) and Kathy Broderick (Kathleen.Broderick@omr.state.ny.us) as soon as possible but no later December 31.

Please contact either John Smith (518-474-5513) or Mike Serge (518-402-4321) of my staff if you have any questions. Thank you for your cooperation.

Sincerely,

James F. Moran
Deputy Commissioner
Fiscal and Administrative Solutions

cc: Commissioner Ritter
Mr. Chmura
Mr. Raffaele
Ms. Broderick
Mr. Whitehead
Mr. Lind
Dr. Karpati
Mr. Lopez
Ms. Meyers