

## Balancing the Budget on the Backs of Vulnerable Tennesseans

**LWVTN Goal for the 2010 Legislative Session:** *Maintain as much capacity as possible to meet the basic human needs of vulnerable populations, including children and persons with mental and physical health needs.*

The Governor's proposed FY 2011 budget cuts would have a disproportionately negative effect on disadvantaged populations, including persons eligible for TennCare, children and adults with mental and behavioral health disorders, and people with disabilities. Although some important programs have been maintained (such as the Pre-K program and the Basic Education Program), and others (such as the Behavioral Health Safety Net, Community Health Centers, and DCS juvenile justice community grants) would be spared as a result of proposed withdrawals from state reserve funds and Federal stimulus money, budget numbers do not capture the magnitude of funding problems for TennCare.

Proposed TennCare service cuts would be especially damaging for public hospitals and smaller private hospitals in both rural and urban areas, and these cuts would exacerbate chronic underfunding of behavioral health services. Moreover, a number of other programs that support children, families, and adults with mental illness will be in dire shape if additional revenues are not identified to reduce some of these cuts.

Following is a summary of proposed cuts and restorations affecting some of the most important programs that serve vulnerable populations. It is important to note that funding from state reserves and the Federal Recovery Act to supplement budget appropriations would be nonrecurring (one-time-only).

### **FY 2011 budget cuts affecting vulnerable populations– net reductions (proposed):**

- **TennCare services:** \$174 million (7.5%) cut in \$2.3 billion program [budget vol.2 p.10]. Cuts in State TennCare funding would mean foregoing three times that amount in Federal matching funds.  
Service limits for non-pregnant adults:
  - Hospital inpatient cap @ \$10,000 – \$149.7 million [THA]*
  - Outpatient service limit @ 8 procedures per year - \$28.5 million [THA]*
  - Lab & X-ray procedure limit @ 8 per year – \$20.6 million [budget Vol.2, p.52]*
  - Physician visit limit @ 8 visits per year – \$13.1 million [budget Vol.2, p.53]*Medically Needy (Medicaid Spend Down) Program – unfunded since 2005; \$8.8 million required to open the program. [TCSW]  
Eliminate Hospice services for TennCare enrollees [TMAC, amt. unspecified]
- **TennCare provider reimbursement:**
  - Reimbursement ceiling for hospitals @100% Medicare equivalent - \$52.1 million [THA]
  - Reduction in provider reimbursement (7%) - \$12.8 million [THA]
  - End grant to Meharry Medical College - \$5 million [budget vol.2 p. 52]
- **Mental Health & Developmental Disabilities (DMHDD):**
  - Community-Based Recovery/Supports in Mental Health and Substance Abuse: [TCSW]
    - Peer Support Centers (46 centers statewide) - \$3.7 million*
    - Peer Power–Youth Violence Prevention/Anger Management - \$100,000*
    - Housing for Mentally Ill Homeless People - \$400,900*
  - Disability services [TCSW]:
    - Wrap Around Services for Intellectual Disabilities waiver participants - \$7.3 million*
- **Children's Services (DCS):** Children's Community Services [TCSW]
  - Relative caregiver program - \$2.8 million
  - Custody services contracts - \$ 1 million
  - Close New Visions female youth development institution (only one in the state) – \$2 million

## **Nonrecurring restoration of funding from TN reserve funds FY 2011 (proposed):**

### **Health:**

Federally Qualified Health Centers: \$4.6 million [vol.2 budget p.177]

- **Mental Health & Developmental Disabilities:** program services & grants including Criminal Justice Mental Health Liaison Project, Behavioral Health Safety Net services, Community Mental Health services, and Community Alcohol & Drug Abuse services: \$5.3 million [vol.2 budget, pp.177, 184-185; *Tennessean* 2/14/10]
- **CoverKids:** \$1.5 to \$2 million (program to re-open 3/1/2010) [*Tennessean*, 2/12/2010]
- **Community Services for Children At-Risk of Custody:** [TCSW]  
Juvenile Justice Court Prevention grants: \$5.3 million  
Residential & foster care, adoption, child & family mgmt contracts: \$3.7 million  
Family Support Services–intensive supervision for at-risk youth: \$1.3 million

## **Nonrecurring restoration of funding from Federal Recovery Act FY 2011**

- **Mental Health & Developmental Disabilities:** Nonrecurring Federal stimulus money reduced expected budget cut of \$37 to \$15 million [*Tennessean* 2/8/10].
- **Education:**  
Coordinated School Health Program (less \$142,400 for 2 filled positions): \$15.3 million [budget vol.2 p. 164];  
Family Resource Centers (104): \$3.5 million [TCSW]

## **Sources:**

1. State of Tennessee: The Budget, Fiscal Year 2010-2011. Vol. 1& 2: Base Budget Reductions <http://tennessee.gov/finance/bud/bud1011/11Publications.html>
2. Tennessee Hospital Association (THA) 2010 Legislative Priorities [attached]
3. Tennessee Conference on Social Welfare (TCSW) priorities for non-recurring funding 2009-2010; 2010-2011 Budget Proposals for priority items [attached]
4. "Mental Health Dept. will lose \$9.4 million" - *Tennessean*, Feb 8, 2010, 1A, 8A
5. "Cover Kids Reopens to New Enrollees" – *Tennessean*, Feb 12, 2010, 1A, 15A
6. "State safety net will be preserved" – *Tennessean*, Feb 15, 2010, 20A
7. Notes from TennCare Medical Advisory Group (TMAC), 1/20/10

## **ACTIONS:**

- **Write to your State Senator and Representative.** (Contact information is available at: [www.legislature.state.tn.us/](http://www.legislature.state.tn.us/).)
- **Write to members of the House and Senate Finance Committees** whom you know or who are from your region ([www.capitol.tn.gov/house/committees/finance.html](http://www.capitol.tn.gov/house/committees/finance.html); [www.capitol.tn.gov/senate/committees/finance.html](http://www.capitol.tn.gov/senate/committees/finance.html)).

General message (feel free to paraphrase):

*Over the past two decades, Tennessee has established public-private and state-local partnerships to implement essential "infrastructure" services for children, families and vulnerable Tennesseans – basic public supports developed in our child welfare, education, health, human services, juvenile justice, mental health and disability services systems. These services and supports are interrelated, so weakening public structure resources in one system erodes the strength of the foundation in all systems.*

*Proposed budget reductions would seriously erode the foundation of these partnerships and reduce the opportunity for Tennessee children to receive the services and supports necessary for success in school and in life and reduce the ability of vulnerable people to remain in their homes and contribute to the well-being of their communities.*

Individualize your message by mentioning specific programs or budget areas that are of particular concern to you. Written messages in your own words are the most effective.

Watch for more action alerts on this issue.