

# PCPA Budget Information

April 3, 2003



## **PCPA Begins Work on State Budget Restoration Plans**

PCPA represents nearly 200 community-based agencies that provide mental health, mental retardation, substance abuse and other related human services. Our member agencies cover all 67 counties in the Commonwealth and serve an estimated 1 million Pennsylvanians each year, working from a \$1 billion-plus budget. We are in a unique position to understand working within budget constraints, living within our means, and how to provide much-needed human services in times of economic downturn and distress.

The areas hardest hit in human services are those of drug and alcohol (D&A) treatment and rehabilitation. Thus far, PCPA has accounted for D&A budget items in the Departments of Health and Public Welfare, the Board of Probation and Parole, and the Pennsylvania Commission on Crime and Delinquency, whose cumulative eliminations and cuts represent an overall decrease of almost 50%. While the Association certainly understands the belt-tightening that must occur in an economic downturn, the undue burden of decreases placed on the D&A community is deplorable. One must also consider, as mentioned above, that the need for these types of services – as well as mental health treatment – tend to *increase* rather than decrease during times of economic downturn.

The line-item for Behavioral Health Services (formerly BHSI) has been completely eliminated. As well, the Act 152 monies under Medical Assistance (MA) fee-for-service (FFS) have also been completely removed. These eliminations are DEVASTATING for D&A funding, while the BHSI removal also affects mental health (MH) funding. The BHSI line-item has historically been used to cover populations that would have been eligible for D&A or MH services under MA prior to the passage of the Pennsylvania welfare reform legislation. It should be noted that persons receiving BHSI funding do not receive other sources of MA funding. Additionally, the shift of the General Assistance population from managed care to FFS results in services being cut to a number of individuals, since certain services available in managed care are not available in FFS. It has come to PCPA's attention that the department itself did not fully comprehend this cut in services. The Commonwealth pays one way or another for D&A – it can pay for treatment and rehabilitation, or it can pay in increased crime rates, health care costs, and young deaths.

Again, the items mentioned above only represent the most devastating of cuts to our programs. No cost of living allowances (COLAs) will certainly hinder community-based services in mental health and mental retardation, and the waiting list still looms large. The Mental Health/Mental Retardation (MH/MR) Coalition, of which PCPA is an active member, has met twice with Secretary of Public Welfare Estelle Richman regarding not only the MH/MR service areas and the lack of a COLA and proper funding, but also the fact that the industry – with D&A included – represents a large workforce; these budget cuts do not represent, then, sound workforce and economic development plans. The Department of Public Welfare has also publicly discussed possible plans for a 5% reduction in Behavioral Health Rehabilitative Services (BHRS) in FFS areas, and considerations of changes in pharmaceutical benefits.

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