



April 26, 2017

The Honorable Patrick Browne
Senate of Pennsylvania
Chair, Senate Appropriations Committee

The Honorable Vincent Hughes
Senate of Pennsylvania
Chair, Senate Appropriations Committee

The Honorable Stanley Saylor
Pennsylvania House of Representatives
Chair, House Appropriations Committee

The Honorable Joseph Markosek
Pennsylvania House of Representatives
Chair, House Appropriations Committee

Dear Chairs:

As the proposed Department of Health and Human Services (DHHS) prepares for the 2017-2018 fiscal year (FY), we are dedicated to using our limited resources wisely and efficiently in support of a cooperative and seamless government that works for all Pennsylvanians. To that end, the governor's proposed budget plans will allow us to improve services to the public while aggressively controlling costs and we are eager to collaborate with the General Assembly to create a spending plan that supports this mission.

However, as we and our staffs have reviewed the budget recently passed by the House Republican Caucus (House Bill 218, Printer's No. (PN) 1236), we have deep concerns about the impact that it would have on the people DHHS serves. We would like to bring to your attention the following major impacts that a spending cut of this magnitude would have on the vulnerable populations served by DHHS, especially considering the changes we have already proposed.

- ***\$62.9 million in proposed cuts to the Child Care Services and Child Care Assistance line items would eliminate services for over 10,000 children and increase the waiting list for these services to 19,000 – its highest level in the state's history:*** HB 218, PN 1236, cuts the Child Care Services line item by \$50.2 million from the governor's proposed budget and \$15.2 million from the FY 2016-17 budget. This line item funds child care subsidies for low-income working families, which allow parents to work while their children are in safe and stable child care. A reduction of \$10 million in state funding to this line item will negate the proposed expanded enrollment of 1,800 children on the child care waiting list. Without a child care waiting list initiative, the waiting list would reach a historical high of almost 19,000 children by the start of FY 2017-18. Even more concerning is that the further reduction of \$40.2 million in state funds would mean the elimination of 6,885 children from the current program. In addition, the Child Care Assistance line item provides for child care subsidies for families receiving TANF and SNAP and, as a result, HB 218, PN 1236, will potentially impact 2,018 low-income children

receiving subsidies through this line item. **The elimination of children currently receiving subsidies from the program would be unprecedented in department history** and result in parents having to make tough choices between working and placing their child in a potentially unstable and/or unsafe environments.

- ***\$9 million in cuts to mental health and substance use disorder funding would mean that more Pennsylvanians would be institutionalized instead of served in the community and that over 1,200 Pennsylvanians would not be able to access treatment for a substance use disorder:*** The House Republican budget also reduces funding for mental and behavioral health services. The budget includes a reduction of \$5 million in community mental health county allocations. This cut will jeopardize available funding to serve individuals leaving state hospitals to live in the community, which could impact the funding necessary for the closure of the Norristown civil unit, with related impact on the ACLU forensic lawsuit. In addition, there is a reduction of \$4 million to county behavioral health funding, which would eliminate the amount that was included for treatment costs for 1,200 non-Medical Assistance eligible clients who are newly able to receive the substance use disorder treatment through the Centers of Excellence. At a time when the commonwealth is experiencing an unprecedented opioid epidemic, this is a dangerous step backwards.
- ***\$4.8 million in cuts to counties would affect thousands of vulnerable Pennsylvania families, including those who are experiencing homelessness, and make it much more difficult for county human service directors to do their jobs:*** There are also additional cuts in HB 218, PN 1236, to counties including a \$2 million (15 percent) reduction to the Human Services Development Fund line item. This funding provides flexible dollars for counties to serve low-income adults, children, people experiencing homelessness, aged and aging persons, and individuals with mental health issues, substance use disorder, or intellectual disabilities. The Homeless Assistance appropriation was cut by \$2.8 million. These two reductions will result in thousands of people losing access to critical services.
- ***\$6 million in cuts to home and community-based services mean that over 300 seniors would lose supportive services that allow them to live in their communities and may force them into nursing homes:*** HB 218 contains a \$6 million cut to home and community-based services provided through Waivers and assumes savings through the implementation of a visit verification system by January 2018. This system is a federal mandate that must be implemented by January 2019 and the department is unsure they would be able to meet this new timeline. Should \$6 million in cuts be realized, elderly Pennsylvanians and those with physical disabilities that rely upon Waiver services such as personal care assistance services, home modifications, and skilled nursing coverage would be impacted. The Waiver programs impacted include the Aging, Attendant Care, OBRA, and Independence Waivers. If implemented, 324 waiver individuals would lose services that enable them to live at home and possibly result in entitlement costs as people are forced into nursing homes under the long-term care program or result in additional program costs shifted to future years.

- ***Administrative cuts will result in the loss of over 400 state jobs that would hurt the department's ability to provide vital health and safety functions such as ChildLine and adult protective services:*** Several administrative line items were cut in HB 218, PN 1236, which would result in over 400 full-time equivalent positions being eliminated. While this cut encompasses several line items, it is important to note several critical operations would be impacted including ChildLine, youth development centers and forestry camps, and adult protective services.
- ***Quality Assurance (QA) budget cut by nearly \$1.5 million will result in a complement reduction of approximately 19 positions, placing federal funding and safety of those in facilities in jeopardy:*** QA is responsible for ensuring patient safety at health care facilities. If staff complement is reduced, it will impact QA's ability to conduct licensure and certification surveys and respond to complaints in a timely manner, putting patient safety in jeopardy. With several legislative proposals being introduced and moving, the problem becomes larger and may render laws new and old unenforceable.
- ***ABC-MAP (Prescription Drug Monitoring Program) Administration was cut by six percent, meaning that vacancies may not be filed and enhancements for this new program may be reduced or eliminated:*** PDMP is a new tool that supports appropriate clinical decision making, prevents prescription drug abuse and diversion, and limits a patient's ability to doctor shop. In its first six months of operation under the Department of Health, it has proved an essential tool in helping to combat the opioid epidemic. Every day, more than 40,000 doctors and pharmacists log in and utilize the tool, placing Pennsylvania at the forefront of this innovative technology. Funding cuts halt forward progress and jeopardize further effective implementation and integration of this cutting-edge program.
- ***Vital Statistics was cut by seven percent, causing a reduction in an already thin workforce that will cause even longer delays to an overstressed system:*** Every year, over 500,000 applications for birth and death records are filed with the department. That number is climbing with Real ID changes and other factors. This program is in desperate need of adequate funding, along with a re-write of the 1953 law that governs it.
- ***State Health Centers were cut by over \$650,000, putting in peril our retooling of the manner with which public health and clinical services are provided to residents of the commonwealth:*** The seven percent reduction would impact the department's ability to modernize and mobilize our workforce, severely impacting our ability to provide adequate public health services to our most vulnerable citizens.
- ***Local health departments' funding is reduced by nearly \$4 million, meaning that severe cuts to county-based health departments will be necessary:*** The commonwealth's six county and four municipal health departments offer disease prevention, health promotion, and clinical services to

over 40 percent of our population. The continued reduction of funding will further erode their ability to provide mandated public health services to their communities.

Thank you for taking the time to review just some of our concerns with HB 218, PN 1236, and for your continued support of DHHS and the people we serve. We look forward to meeting with you to discuss these matters further and answer any questions you may have.

Sincerely,



Theodore Dallas, Secretary



Karen Murphy, PhD RN – Secretary



Teresa Osborne, Secretary



Jennifer Smith, Acting Secretary

- cc:
- Lisa Baker, Chair, Senate Public Health & Welfare
 - Judy Schwank, Chair, Senate Public Health & Welfare
 - Michele Brooks, Chair, Senate Aging & Youth
 - Arthur Haywood, Chair, Senate Aging & Youth
 - Randy Vulakovich, Chair, Senate Veterans Affairs & Emergency Preparedness
 - Jay Costa, Chair, Senate Veterans Affairs & Emergency Preparedness
 - Scott Hutchinson, Chair, Senate Finance
 - John Blake, Chair, Senate Finance
 - Matthew Baker, Chair, House Health
 - Florindo Fabrizio, Chair, House Health
 - Tim Hennessey, Chair, House Aging & Older Adult Services
 - Steve Samuelson, Chair, House Aging & Older Adult Services
 - Gene DiGirolamo, Chair, House Human Services
 - Angel Cruz, Chair, House Human Services
 - Katherine Watson, Chair, House Children & Youth
 - Scott Conklin, Chair, House Children & Youth
 - Stephen Barrar, Chair, House Veterans Affairs & Emergency Preparedness
 - Chris Sainato, Chair, House Veterans Affairs & Emergency Preparedness
 - Bernie O'Neill, Chair, House Finance
 - Jake Wheatley, Chair, House Finance