

Email Sent to East Valley Legislators on February 19, 2009

On Tuesday of this week, statewide community providers of services to people with developmental disabilities met with DES Interim Director Linda Blessing to hear of proposed cuts and impacts to our budget. I know you understand the significance of a 10% reduction in provider services across the state. While we will accept the reality of this economic downturn and attempt to preserve our community system of care, there are points I would like to make.

1. Both the state agency and all community providers are affected with a 10% reduction. There is one important distinction. State agency personnel oversee “the paper trail”. We provide the direct care services that meet the everyday healthcare needs of families and clientele. Some legislators are reporting that it was never the intent to drive cuts so deep with provider agencies. Is there anything you might suggest or can do to assist in this regard? I ask, because I have no confidence in the state’s ability to assess the impact of equal cuts. Further, for some community organizations the proposed cuts result in 17% to 22% reduction in actual revenues.
2. Our communities keep reading and hearing from various media sources and the ninth floor that it is the intent to suspend rules, regulations (e.g. excessive monitoring/licensure) and procedural protocols. This is extremely important if providers are to absorb any cuts. It is naïve to believe – from a business perspective – that community providers can absorb a 10% “margin call” without reducing direct-care staff that meets the everyday healthcare needs. Please note that one of the current contractual obligations requires all community organizations to maintain a defined staff-to-client ratio in order to be reimbursed. While the state has intimated that they may “relax” this qualifier, cuts take effect March 1. If you are unable to assist with point number one, could you please ensure that procedural protocols relative to these ratios are suspended in the interim? This is absolutely vital to the continuance of our existing care services, if we are to remain in business. I do not have much faith and trust in state bureaucrats whose response to all crises is to develop additional rules to the exception to the rule and then expect all agencies to adhere.
3. Finally, it is my understanding that Arizona will not draw down \$45 million of long-term care funds. This is ludicrous given what I will propose to you. Again, community agencies like Marc Center are requested to absorb a 10% cut. Federal dollars come into this state on a 64/36 percent match basis. In the late 1970s, organizations like ours were required to match Title XX funds. Why can’t we do the same with unmatched Title XIX long-term care funds? Based upon the match ratio, an organization like Marc Center could match 3.5% of its federal funds and not have the financial impact that a 10% cut would impose upon us.

We really need your assistance to ensure that we are able to draw down the remaining 90% of funds and to explore alternative funding options like that proposed in the third point. Thanks again for your leadership and assistance.

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