

The Providence Journal

R.I. House panel may trim 'safety net' programs

Thursday, April 22, 2010

By Steve Peoples

Journal State House Bureau



House Finance Committee Chairman Steven Costantino, D-Providence, center, talks Wednesday with Rep. Al Gemma, D-Warwick, far right.

The Providence Journal / Connie Grosch

PROVIDENCE — Anxious to find budget savings anywhere it can, a key legislative panel Wednesday afternoon refocused its attention on Rhode Island's social safety net, a network of state-subsidized programs that serve tens of thousands of children, adults with disabilities and elderly residents.

There are more opportunities to cut services than previously believed, according to House Finance Committee Chairman Steven M. Costantino.

"Everybody says you can't touch anything," he said after the hearing, the second in a series of three House fact-finding meetings this week following the collapse of budget negotiations with the Senate. "You can't touch eligibility. But you can look at your benefit design."

"Benefit-design" changes could mean fewer days of adult daycare for low-income seniors, waiting lists for nursing homes or the end of dental services for more nearly 150,000 low-income children and their parents.

While he didn't endorse any specific cuts, Costantino is leading the House charge to fill a current-year budget hole of \$220 million. House leaders thought they had crafted a deficit-filling plan last week, but the Senate blocked a key provision that would have saved roughly \$29.2

million this year by refinancing the retirement system's massive unfunded liability at a long-term cost of \$2.2 billion.

Costantino rejected the notion that Wednesday's hearing was meant to apply political pressure on Senate negotiators, but he acknowledged that social service cuts likely wouldn't do much to help with this year's deficit with little more than two months remaining in the budget year.

"When you have [a disagreement of \$29.2 million], you have to go find it," Costantino said. "And we're certainly not going to go to the tax base. We have to look at every area of government."

Lawmakers cannot, however, look everywhere.

Regulations tied to the [federal stimulus](#) package block states that received an influx of Medicaid cash from cutting Medicaid eligibility. But those regulations, according to Costantino, don't prohibit lawmakers from making across-the-board cuts of federally designated optional services, such as prescription-drug subsidies, dental services, substance-abuse programs or visiting aides for families of disabled children, among many others.

Wednesday's hearing was packed with representatives from Rhode Island's huge network of nonprofit health-care providers and the labor unions that represent some of them.

"I would hope that the residents of Rhode Island that depend on these services understand what's at risk," said Linda Katz, policy director of the Poverty Institute at Rhode Island College.

Medicaid spending in Rhode Island supports 21,000 health-care jobs producing a combined \$604 million in wages, according to a 2007 presentation by the state Executive Office of Health and Human Services. And more than one in five Rhode Islanders, or 217,348 residents, received Medicaid benefits in 2008, the most recent annual data available from the state Department of Human Services.

But Rhode Island spends more on its human service programs than the rest of the country, according to a legislative analysis presented Wednesday.

On average, each state spends \$6,120 per Medicaid enrollee. Rhode Island, however, spends \$9,341. The analysis suggests that the difference is largely driven by significantly higher costs for coverage of disabled and elderly residents, who consumed more than 75 percent of the state's \$1.74 billion Medicaid budget in 2008.

More than 121,000 people were enrolled in the state's RItE Care program, which offers medical insurance to low-income children and their parents. Those people accounted for almost \$400 million, less than 25 percent of the state's Medicaid costs.

The organizations that provide the services are scared.

“It seems like there’s a pretty good-sized bull’s-eye on the services that [developmental-disabled] and mental health [organizations] provide,” said Donna Martin, executive director of the Community Provider Network of Rhode Island, which works with roughly 3,000 disabled adults. “You’ve got elderly people that won’t be able to get out of bed every day, and you’ve got people with disabilities that are going to roam the streets.”

speoples@projo.com