



## Proposals in the Biennial Budget (SFY 2014 and 2015) that will Impact Maine's Most Vulnerable Populations

Some of these proposals may change. This preliminary analysis is based on the language of the biennial budget available at <http://www.maine.gov/budget/budgetinfo/2014-2015biennial.shtml>.

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### Proposals to Cut Programs that Assist Seniors and People with Disabilities

#### 1. Elimination of the Low Cost Drugs for the Elderly and Disabled Program (DEL)

**Proposal:** The Governor's budget completely eliminates the Low Cost Drugs for the Elderly and Disabled Program (DEL). This program provides a discount on generic drugs for everyone who is enrolled and on brand name drugs for people with certain serious health conditions like diabetes, heart disease, chronic lung disease and Multiple Sclerosis. It also makes certain drugs more affordable for some low-income Medicare beneficiaries.

**Who will be affected:** Approximately 80,000 low-income seniors over the age of 62 and people with disabilities will lose the help they need to afford their prescription drugs. Most of the people impacted have income at or below 175% of the federal poverty level (\$19,548/yr. for a single person).

#### 2. Deep Cut to Maine's Medicare Savings Program (MSP)

**Proposal:** This program helps to pay for Medicare premiums, co-payments and deductibles, prescription drug costs, and coverage through the so-called "donut hole". The Governor's budget proposes to limit this program to people with income at or below 135% of the federal poverty level (\$15,080 for a single person; \$20,425 for a couple). This program currently serves those with income up to 175% of the poverty level (\$19,548 for a single person).

**Who will be affected:** Nearly 40,000 low-income seniors and people with disabilities (those with income between 135% and 175% of the poverty level) will lose the help they currently get through the MSP.

#### 3. Loss of MaineCare for Certain Elderly and Disabled Individuals

**Proposal:** This proposal would eliminate the "ineligible spouse disregard" in the MaineCare program. This deduction of spousal income provides the DHHS with some flexibility when determining MaineCare eligibility so that disabled and elderly individuals who are married can qualify for coverage when they have serious medical needs.

**Who will be affected:** This change in policy will leave some elderly and/or disabled individuals (who live with their spouse) without healthcare coverage.

**4. Elimination of State-funded Supplemental Security Income (SSI) for Elderly and Disabled Legal Non-citizens**

**Proposal:** The Governor's budget proposes to eliminate this vitally important program for lawful immigrants residing in Maine. This program provides limited monthly support to help legal immigrants who are 65 or older or who are disabled to pay for basic needs such as rent, heat and food.

**Who will be affected:** Approximately 85 elderly and/or disabled immigrants would lose their supplemental security income, which is often their only source of income. These are elderly/disabled immigrants who are here lawfully and have made a home in Maine. Without this critical support many of these individuals will be unable to provide for their most basic needs.

**5. Elimination of the Medically Needy Program for Seniors in Need of Private Non-Medical Institutions (PNMIs)**

**Proposal:** Presumably the Governor's budget eliminates coverage of the Medically Needy deductible for those with income over \$1,006 per month. (This cut was proposed in the Supplemental Budget and eliminated by the Appropriations Committee. We believe that the biennial budget assumes continuation of this cut.) Without State payment for their deductible, frail seniors who need PNMI services would no longer be able to afford to move into a PNMI (also known as residential care or assisted living) after this cut is implemented.

**Who will be affected:** Approximately 2,000 frail seniors receive this help right now. They will continue to receive help. The Department estimates that approximately 1,000 new seniors will need these same services but *will not* be able to get them in the future if this cut is enacted.

**Proposals to Cut the General Assistance program (GA) that Provides a Safety Net of Last Resort**

**1. Elimination of General Assistance (GA) for Low-Income Families with Children**

**Proposal:** This proposal would eliminate eligibility for GA for families with children that have reached the TANF 60-month time limit.

**Who will be affected:** Last June, 1,813 families reached the new 60-month TANF time limit and 79 families will continue to reach the time limit each month. A recent study of these families found that they face multiple barriers to work and experience severe hardships as a result of losing their TANF assistance. Barriers and hardships will increase and become more severe without assistance from the GA program. This proposal would leave many children and their families without any safety net.

## **2. Reduction in Funding for Homeless Shelters**

**Proposal:** This proposal would reduce the state reimbursement to municipalities for homeless shelters by nearly half in some cities.

**Who will be affected:** This proposal will result in a significant cost shift to the service center communities that shoulder the responsibility of providing basic shelter to Maine people who are homeless, many of whom have mental illness and are not being served by the mental health system. These costs will be shifted to local property taxpayers and access to shelters could be limited as municipalities are forced to make cutbacks.

## **3. Reduction in General Assistance Reimbursement for Certain Municipalities**

**Proposal:** The State's share of GA costs would be capped at 50%. The larger service centers, like the cities of Portland, Lewiston and Bangor provide the largest amount of GA and currently receive 90% reimbursement from the State once the cities have spent a certain amount on the program. If the Governor's GA initiative is enacted, these cities would only receive 50% reimbursement from the State.

**Who will be affected:** While this should not cause a direct cut in GA for those who need help right away, it will put financial pressure on these municipalities that are already struggling to meet their GA budgets. This may result in less staff to take applications, or even more benefit cuts.

## **4. A Limit (or Cap) on Funding for the GA Program**

**Proposal:** The Governor's budget limits the amount that the State will reimburse municipalities for their General Assistance costs by capping the appropriation for each fiscal year at 10.2 million dollars. As a result, the GA Program may run out of funds, which means hundreds of people may not get the help they need.

**Who will be affected:** Anyone who requests help from the GA Program in the future will be impacted by this proposal as this would precipitate deep cuts to the program. These are people who do not have sufficient income to meet their most basic needs.

## **Proposal to Eliminate Assistance for Working Families**

### **Deep Cuts to the Maine Residents Property Tax and Rent Refund Program ("Circuit Breaker")**

**Proposal:** The Governor's budget proposes to eliminate the Circuit Breaker program for all people under age 65. For those ages 65 and older, reimbursements would be reduced for renters and the income threshold would be reduced. These changes would eliminate 86% of the benefit under the current program and would become effective for applications submitted beginning August 1, 2013.

**Who will be affected:** This program provides property tax and rent relief for low- and moderate-income homeowners and renters. Approximately 76,000 homeowners and renters under the age of 65 who spend a disproportionately high percentage of their income on housing related expenses will lose this valuable tax relief.