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## **FOR IMMEDIATE RELEASE**

**Date:** January 11, 2008  
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### **DHHS MEETS 4.5 PERCENT GENERAL FUND REVERSION THRESHOLD WITHOUT EFFECTING PRESENT CLIENT SERVICES**

**Carson City**—Nevada Department of Health and Human Services (DHHS) Director Mike Willden today expressed relief that his agency was able to adhere to the Governor's request to identify 4.5 percent in general fund reversions for fiscal years 2008-2009 without any major impact to present client services.

"The main goal of DHHS in meeting the general fund reversion requirement was to do our best to not negatively impact the various services our agency presently provides to many needy Nevadans," Willden said. "I am proud of the efforts of my Administrators and Administrative Services Officers in meeting this challenge."

DHHS, which comprises about thirty-percent of the total state general fund budget, includes seven divisions: Director's Office, Aging Services, Child and Family Services, Health, Health Care Financing and Policy, Mental Health and Developmental Services, and Welfare and Supportive Services. For fiscal years 2008-2009, DHHS had a legislatively-approved General Fund budget of almost \$1.9 billion. The 4.5 percent budget reduction resulted in around \$78 million in general fund revenue being returned to the state. Governor Gibbons exempted child welfare and juvenile justice programs from being included in the 4.5 percent budget reduction.

"I also want to thank Governor Gibbons for allowing state agencies to decide how best to meet the budget reduction needs of the state," Willden added. "That freedom provided me and my staff the ability to decide how we could best meet the demands on our agency to provide assistance and services to the people of Nevada."

Governor Gibbons exempted child welfare and juvenile justice from the budget reduction. In addition, Willden said DHHS made the following budget decisions aimed at protecting services for children and mental health clients:

- No cuts in Early Intervention Services for children.
- Only minor budget adjustments in children's mental health programs.

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- Planning for 22 additional psychiatric beds in Clark County
- Maintain Mental Health Triage Centers in Clark County and Washoe County.

Further, no cuts were necessary in the Temporary Assistance for Needy Families (TANF) budget, including keeping whole the 2007 Legislature's payment increase of ten percent to recipients.

Willden said DHHS made the decision to focus on eliminating budget enhancements and one-shot expenditures granted by the 2007 Legislature that would have been used to purchase new equipment (computers, etc.), develop new programs and websites, and pay for capital improvement projects. In addition, some programs are delaying expansion or reducing growth, minor program eligibility adjustments were made to meet the percent of General Fund cuts identified, and a total of 241 positions within DHHS are being filled later than budgeted, frozen long term, or being eliminated. Willden said no layoffs of DHHS personnel are anticipated.

Willden said enrollment in Nevada Check Up is being capped at 30,000 over the biennium (current enrollment is 29,178), and the Health Insurance Flexibility and Accountability (HIFA) waiver is being discontinued, which will affect five low-income employees and approximately 100 pregnant women currently enrolled in the program.

Unfortunately, in order to meet the budget reduction threshold, Willden said many worthwhile new programs and program enhancements contained in Assembly Bill 629 and Senate Bill 579 had to be curtailed. "We will go into the 2009 legislative session looking to see which of the program improvements approved in the 2007 session may be able to be added back into our budget, if the economy has improved."

An added consequence of the General Fund budget reduction is the loss of federal matching dollars obtained through certain programs. In all, Willden said the state may lose as much as \$45 million in federal matching dollars over the biennium (\$40 million in Medicaid, approximately \$5 million from other Divisions). In addition, DHCFP must plan for a projected loss of \$19.7 million in Federal Matching Assistance (FMAP) in fiscal year 2009, when Nevada's FMAP is scheduled to decline from 52.64% federal share to 50%, beginning in October 2008.

For more information about the Department of Health and Human Services, or to view a list of the budget reductions adopted by DHHS, go to the <http://dhhs.nv.gov>.

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