Dennis Amundson, Director

Department of Developmental Disabilities

TESTIMONY FOR THE OVERSIGHT HEARING OF THE SENATE BUDGET SUBCOMMITTEE #3 ON HEALTH, HUMAN SERVICES AND LABOR

November 5, 1992

INTRODUCTION

GOOD MORNING SENATOR THOMPSON, AND MEMBERS OF THE COMMITTEE. MY NAME IS DENNY AMUNDSON. I AM THE DIRECTOR OF THE DEPARTMENT OF DEVELOPMENTAL SERVICES.

THANK YOU FOR INVITING ME TO TESTIFY AT TODAY'S HEARING ON THE EFFECT OF THE BUDGET REDUCTIONS ON THE PROGRAMS AND SERVICES PROVIDED THROUGH THE DEPARTMENT OF DEVELOPMENTAL SERVICES. MY TESTIMONY RESPONDS TO THE QUESTIONS IN AN OCTOBER 8, 1992 LETTER FROM SENATOR THOMPSON.

CONSIDERABLE BACKGROUND INFORMATION IS INCLUDED IN MY WRITTEN REPORT SO THAT THOSE NOT FAMILIAR WITH THE DEVELOPMENTAL DISABILITIES FIELD OR LAST YEAR'S REGIONAL CENTERS' BUDGET REDUCTION EFFORTS WILL HAVE A CONTEXT FOR BETTER UNDERSTANDING THE DEPARTMENT'S RESPONSE.

A. DESCRIPTION OF PROGRAMS AND SERVICES

REGIONAL CENTERS

REGIONAL CENTERS ARE PRIVATE, NON-PROFIT CORPORATIONS WITH WHOM DDS CONTRACTS TO PROVIDE OR FUND SERVICES TO APPROXIMATELY 106,000 CHILDREN AND ADULTS WITH DEVELOPMENTAL DISABILITIES

AS THE SINGLE POINT OF ENTRY INTO THE SYSTEM OF SERVICES FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, REGIONAL CENTERS PROVIDE DIAGNOSTIC AND ASSESSMENT SERVICES TO DETERMINE ELIGIBILITY FOR SERVICES; CONVENE INTERDISCIPLINARY TEAMS TO DEVELOP AN INDIVIDUAL PROGRAM PLAN FOR EACH ELIGIBLE CLIENT OR CONSUMER; PROVIDE, PURCHASE, OR OBTAIN APPROPRIATE SERVICES FOR EACH CLIENT IN ACCORDANCE WITH THAT INDIVIDUAL PROGRAM PLAN; AND EVALUATE THE EFFECTIVENESS OF SERVICES PROVIDED.

REGIONAL CENTERS ALSO ARE RESPONSIBLE FOR A WIDE RANGE OF OTHER ACTIVITIES SUCH AS PUBLIC INFORMATION AND EDUCATION, RESOURCE DEVELOPMENT, OUTREACH AND CASE FINDING, PLACEMENT AND MONITORING SERVICES, COURT-ORDERED ASSESSMENTS, RESOURCE DEVELOPMENT, MONITORING SERVICES PURCHASED FOR CLIENTS, AND OPERATING PROGRAMS FOR THE PREVENTION OF DEVELOPMENTAL DISABILITIES. THE REGIONAL CENTERS' BUDGET FOR FY 1992-93 IS APPROXIMATELY $668 MILLION. APPROXIMATELY 80 PERCENT OF THIS AMOUNT IS FOR PURCHASING SERVICES FOR CLIENTS AND THEIR FAMILIES. THE REMAINING 20 PERCENT FUNDS THE REGIONAL CENTERS' CASE MANAGEMENT, CLINICAL, AND ADMINISTRATIVE STAFF.

THE FISCAL YEAR 1992-93 BUDGET FOR REGIONAL CENTERS SHOWS A $17.8 MILLION INCREASE (2.8 PERCENT) OVER FISCAL YEAR 1991-92. THIS INCREASE IS COMPOSED OF A $14.8 MILLION DECREASE IN OPERATIONS AND A $32.6 MILLION INCREASE IN PURCHASE OF SERVICES (POS).

THIS OVERALL INCREASE IS FAR LESS THAN THAT PROPOSED IN THE DEPARTMENT'S ESTIMATE FOR REGIONAL CENTERS PRIOR TO THE FISCAL YEAR 1992-93 REDUCTIONS. FOR OPERATIONS, DDS WAS ESTIMATING AN INCREASE OF $4.3 MILLION AND FOR POS THE ESTIMATE WAS FOR A $76.6 MILLION INCREASE.

STATE DEVELOPMENTAL CENTERS

THE DEPARTMENT'S DEVELOPMENTAL CENTERS PROGRAM IS ADMINISTERED BY THE RESIDENTIAL SERVICES DIVISION WHICH IS RESPONSIBLE FOR THE OPERATION OF SEVEN DEVELOPMENTAL CENTERS THAT SERVE AN AVERAGE CASELOAD OF APPROXIMATELY 6,600 CLIENTS AT SEVEN FACILITIES: AGNEWS, CAMARILLO, FAIRVIEW, LANTERMAN, PORTERVILLE, SONOMA, AND STOCKTON. THE DEVELOPMENTAL CENTERS' POPULATION HAS REMAINED APPROXIMATELY THE SAME FOR SEVERAL YEARS AFTER DECREASING SIGNIFICANTLY DURING THE 1970'S AND EARLY 1980'S. THE CLIENTS REMAINING IN THE DEVELOPMENTAL CENTERS ARE THOSE FOR WHOM APPROPRIATE PLACEMENTS ARE

NOT AVAILABLE IN THE COMMUNITY, THOSE THAT ARE COURT COMMITMENTS, AND THOSE WHOSE PARENTS OBJECT TO PLACEMENT IN THE COMMUNITY.

STATE DEVELOPMENTAL CENTER SERVICES INCLUDE CARE AND SUPERVISION FOR ALL RESIDENTS ON A 24-HOUR BASIS, SUPPLEMENTED WITH APPROPRIATE MEDICAL AND DENTAL CARE, HEALTH MAINTENANCE ACTIVITIES, ACTIVE TREATMENT, AND ASSISTANCE WITH ACTIVITIES OF DAILY LIVING.

B. OVERVIEW OF SB 1045 PROCESS

THE DEPARTMENT OF DEVELOPMENTAL SERVICES' 1991-92 BUDGET INCLUDED AN UNALLOCATED REDUCTION OF $31.5 MILLION IN THE REGIONAL CENTER LINE ITEM.

SB 1045 FOCUSED ON THE PROCESS FOR DEVELOPING AND IMPLEMENTING REGIONAL CENTER EXPENDITURE PLANS FOR

FISCAL YEAR 1991-92 TO ACHIEVE THE MANDATORY BUDGET REDUCTIONS. TO FACILITATE THIS PROCESS, THE DIRECTOR WAS GIVEN AUTHORITY TO TEMPORARILY ADOPT, AMEND, OR SUSPEND REGULATIONS ON AN EMERGENCY BASIS TO ALLOW REGIONAL CENTERS TO IMPLEMENT THEIR COST REDUCTION PLANS IN A WAY THAT WOULD NOT ADVERSELY AFFECT CLIENTS' HEALTH OR SAFETY OR PLACE THEM IN MORE RESTRICTIVE ENVIRONMENTS. THE BILL ALSO PERMANENTLY CHANGED THE FREQUENCY FOR REGIONAL CENTERS TO COMPLETE INDIVIDUAL CLIENT PROGRAM PLANS.

C. PRIOR TESTIMONY

THE DEPARTMENT PRESENTED WRITTEN AND ORAL TESTIMONY AT HEARINGS BEFORE THE SENATE SPECIAL COMMITTEE ON DEVELOPMENTAL DISABILITIES AND MENTAL HEALTH AND THE SENATE BUDGET SUBCOMMITTEE, NUMBER 3, ON NOVEMBER 6, 1991, AND FEBRUARY 7, 1992.

THE NOVEMBER 6, 1991, REPORT CONCLUDED WITH THE FOLLOWING:

"OVERALL, THE REGIONAL CENTERS HAVE DONE A GOOD JOB IN COMPLYING WITH THE MANDATES OF SB 1045 AND THE GUIDELINES DEVELOPED BY THE DEPARTMENT. IT HAS NOT BEEN ACCOMPLISHED WITHOUT PAIN AND IT IS TOO EARLY TO DETERMINE HOW SUCCESSFUL THEY WILL BE IN EFFECTING THE NECESSARY SAVINGS. IT IS ALSO TOO EARLY TO DETERMINE WHAT THE LONG-TERM EFFECT OF THESE CHANGES WILL BE ON THE QUALITY AND LEVEL OF SERVICES TO REGIONAL CENTER CLIENTS.

TWO FACTORS ARE CLEAR AND SEEM TO BE THE MOST POSITIVE OUTCOMES OF THE ENTIRE PROCESS. FIRST, IT HAS FORCED THE ENTIRE SYSTEM TO STEP BACK AND EXAMINE HOW WE ARE DOING BUSINESS AND TO COME UP WITH NEW AND INNOVATIVE APPROACHES THAT

NOT ONLY WILL SAVE MONEY BUT, HOPEFULLY, WILL RESULT IN MORE POSITIVE CLIENT OUTCOMES. SECOND, IT HAS REVITALIZED THE INVOLVEMENT OF PARENTS, CONSUMERS, PROVIDERS, AND ADVOCACY ORGANIZATIONS IN THE LOCAL PLANNING FOR THE DELIVERY OF SERVICES IN EACH COMMUNITY. IT SEEMS TO HAVE HEIGHTENED EVERYONE'S LEVEL OF CONSCIOUSNESS OF THE ISSUES AND PROBLEMS THEY FACE AND HAS LED TO GREATER COOPERATION AMONG PARTIES IN DEVELOPING SOLUTIONS TO THOSE PROBLEMS."

THE DEPARTMENT'S SECOND REPORT ON SB 1045 IMPLEMENTATION WAS RELEASED ON FEBRUARY 7, 1992. THIS REPORT CONCLUDED WITH THE FOLLOWING:

"GENERALLY SPEAKING, THE REGIONAL CENTERS HAVE BEEN QUITE SUCCESSFUL IN ACHIEVING COST SAVINGS THROUGH IMPLEMENTATION OF THEIR EXPENDITURE

PLANS. EXPENDITURE REDUCTIONS ARE DEPENDENT UPON THE DEGREE OF LOCAL COOPERATION ON THE PART OF FAMILIES AND VENDORS, AS WELL AS A "LUCK FACTOR" IN AVOIDING EXTRAORDINARY EXPENSES FOR HIGH-COST POS WHICH ARE NOT WITHIN THE ABILITY OF THE REGIONAL CENTER'S CONTROL.

THE DEGREE OF SUCCESS REGIONAL CENTERS HAVE HAD IN IMPLEMENTING THEIR EXPENDITURE PLANS DIRECTLY RELATES TO THE LEVEL OF COMMUNITY SUPPORT AND INVOLVEMENT IN THE DEVELOPMENT, PLANNING, AND IMPLEMENTATION OF THEIR PLANS."

D. REGULATION CHANGES

SB 1045 AUTHORIZED THE DEPARTMENT TO ". . . TEMPORARILY ADOPT, AMEND, OR SUSPEND REGULATIONS AS NECESSARY TO ALLOW REGIONAL CENTERS TO IMPLEMENT THEIR COST

REDUCTION PLANS WITHOUT ADVERSELY AFFECTING CLIENT HEALTH OR SAFETY, OR PLACING PERSONS WITH DISABILITIES IN MORE RESTRICTIVE ENVIRONMENTS." THE RESIDENTIAL SERVICE AMENDMENTS INCLUDED THE SUSPENSION OF MANY DOCUMENTATION, RECORD KEEPING AND TRAINING REQUIREMENTS.

THE MORE SIGNIFICANT CHANGES TO THE NONRESIDENTIAL SERVICE REGULATIONS INCLUDED THE FOLLOWING: EXPANDING THE USE OF VOUCHERS TO INCLUDE FAMILY MEMBERS FOR PROCURING SPECIFIC SERVICES (IN-HOME RESPITE, IN-HOME NURSING, DAY CARE, OTHER MEDICAL EQUIPMENT AND SUPPLIES, AND TRANSPORTATION), GRANTING REGIONAL CENTERS AUTHORITY TO NEGOTIATE LOWER LEVELS OF PAYMENT FOR 1991-92, ALLOWING REGIONAL CENTERS TO ENTER INTO SERVICE CONTRACTS FOR INDEPENDENT LIVING, INFANT DEVELOPMENT AND SOCIAL RECREATION PROGRAMS, REDUCING SPECIFIED PROGRAM EVALUATIONS, AND PROVIDING FOR ADDING BACK THE AMOUNT OF PAYMENT REDUCTIONS TO VENDORS' COSTS WHICH

ARE REPORTED WHEN ESTABLISHING FUTURE RATES.

BUDGET OUTCOME

OUR YEAR-END FINANCIAL STATEMENTS FOR 1991-92 INDICATES THAT THE SB 1045 PROCESS GENERATED SUFFICIENT SAVINGS TO PERMIT THE REGIONAL CENTER SYSTEM AS A WHOLE TO LIVE WITHIN ITS BUDGET. IT IS DIFFICULT, HOWEVER, TO IDENTIFY THE LEVEL OF SAVINGS ACHIEVED BY A SPECIFIC REGIONAL CENTER BECAUSE FINAL EXPENDITURES WILL NOT BE KNOWN UNTIL EARLY SPRING OF 1993.

1992-93 BUDGET OUTCOME

ALL REGIONAL CENTERS HAVE NOW SUBMITTED THEIR EXPENDITURE PLANS FOR FY 1992-93. SIXTEEN PLANS HAVE BEEN APPROVED; FIVE ARE IN THE REVIEW AND APPROVAL PROCESS. WE ARE MEETING OUR 30-DAY TIMELINE AND ANTICIPATE THAT ALL THE PLANS WILL BE APPROVED WITHIN THE WEEK. IT IS VERY CLEAR FROM THESE PLANS THAT THE CENTERS ARE HAVING TO MAKE DRASTIC CUTS TO THEIR OPERATIONS AND STAFF. WHILE THE CENTERS WILL IMPLEMENT NECESSARY REDUCTIONS TO LIVE WITHIN AVAILABLE FUNDS, I AM CONCERNED THAT IT IMPACTS THEIR ABILITY TO FULLY MEET THE REQUIREMENTS OF THE LANTERMAN ACT.

E. INTRA- AND INTERAGENCY COORDINATION

THE DEPARTMENT MAINTAINS REGULAR COMMUNICATION AND COOPERATION WITH MANY OTHER STATE DEPARTMENTS ON

NUMEROUS PROGRAM ISSUES. THE CONTINUING STATE BUDGET PROBLEMS HAVE REQUIRED STATE DEPARTMENTS TO WORK TOGETHER MORE CLOSELY THAN EVER IN AN EFFORT TO MINIMIZE DUPLICATION OF SERVICES AND TO MANAGE WITH MORE LIMITED RESOURCES.

DEPARTMENT OF REHABILITATION (DR)

THE DEPARTMENT AND DR HAVE BEEN WORKING CLOSELY TO ENSURE THE SUCCESS OF THE VOCATIONAL REHABILITATION (VR) EXPANSION EFFORT. THE GOAL OF THE VR EXPANSION EFFORT IS TO INCREASE SUPPORTED-EMPLOYMENT OPPORTUNITIES AND EMPLOYMENT SERVICES FOR DEVELOPMENTALLY DISABLED CLIENTS WHILE SIMULTANEOUSLY REDUCING GENERAL FUND COSTS AND GENERATING ADDITIONAL FEDERAL REHABILITATION FUNDS. DR'S HABILITATION SERVICES PROGRAM (HSP) IS 100% STATE FUNDED, WHEREAS THE BASIC DR VOCATIONAL REHABILITATION (VR) SERVICES RECEIVE A 80% FEDERAL MATCH. COORDINATING THIS EFFORT HAS BEEN CHALLENGING FOR BOTH

DEPARTMENTS BECAUSE OF THE COMPLEXITIES INHERENT IN THE INITIATIVE, COMPETING DEMANDS ON LIMITED DR AND REGIONAL CENTER STAFF RESOURCES AND THE MANY AND DIVERSE PARTICIPANTS INVOLVED.

DEPARTMENT OF AGING (CDA)

THE DEPARTMENT HAS BEEN WORKING IN COORDINATION WITH CDA TO EXPAND THE OPPORTUNITIES FOR DEVELOPMENTALLY DISABLED PERSONS TO PARTICIPATE IN MEDI-CAL FUNDED ADULT DAY HEALTH PROGRAMS (ADHC). BOTH DEPARTMENTS HAVE PARTICIPATED IN TRAINING TO ENLIST ADDITIONAL PROVIDERS TO SERVE THE DEVELOPMENTALLY DISABLED POPULATION.

DEPARTMENT OF HEALTH SERVICES (DHS)

DDS MUST WORK CLOSELY WITH AND COORDINATE MANY OF ITS ACTIVITIES WITH DHS. THE AREA OF MOST IMMEDIATE IMPORTANCE RELATES TO ATTEMPTS OF DDS TO INCREASE

FEDERAL FINANCIAL PARTICIPATION FOR ITS PROGRAMS. A MAJOR FOCUS HAS BEEN ON THE MEDICAID HOME AND COMMUNITY BASED WAIVER PROGRAM. THIS PROGRAM IS DESIGNED TO PROVIDE THE COMMUNITY SUPPORTS NECESSARY TO ALLOW CLIENTS TO REMAIN IN THEIR HOMES OR IN THE COMMUNITY RATHER THAN TO BE PLACED IN INSTITUTIONAL SETTINGS. DDS HAS BEEN IN CONSTANT NEGOTIATION WITH THE FEDERAL HEALTH CARE FINANCING ADMINISTRATION (HCFA) REGARDING THE ISSUES BARRING RENEWAL OF THE EXISTING MEDI-CAL PROGRAM WAIVER ADMINISTERED BY DDS. DDS HAS BEEN SUPPORTED IN THIS EFFORT BY THE STAFF AND ADMINISTRATION OF DHS. MOST ISSUES HAVE BEEN RESOLVED AND A REQUEST TO RENEW THE WAIVER WAS SENT TO HCFA BY THE DEPARTMENT OF HEALTH SERVICES ON SEPTEMBER 3, 1992. THE WAIVER RENEWAL REQUEST INCLUDES A PLAN TO INCREASE THE CLIENT PARTICIPATION IN THE DDS ADMINISTERED MEDI-CAL WAIVER TO 10,000 CLIENTS IMMEDIATELY, AND TO INCREASE TOTAL PARTICIPATION TO OVER 18,000 BY 1996. STILL REMAINING TO BE RESOLVED ARE METHODOLOGIES NECESSARY

TO MEET FEDERAL REQUIREMENTS REGARDING CLAIM SPECIFIC DATA COLLECTION AND ACCESS, AND NEGOTIATION OF THE FISCAL INTERMEDIARY AGREEMENT WITH THE REGIONAL CENTERS.

INTRA-AGENCY COORDINATION

STAFFING CUTBACKS WITHIN THE PRECEDING TWO YEARS HAVE RESULTED IN A REDUCED WORK FORCE AND THE NEED TO REORGANIZE. THE REORGANIZATION HAS HELPED TO FACILITATE THE DEPARTMENT'S ABILITY TO ACCOMPLISH ITS MISSION DESPITE THE REDUCTIONS IN PERSONNEL AND FINANCIAL RESOURCES. THE PROGRAM AREAS WERE ORGANIZED ON A FUNCTIONAL BASIS THAT ALLOWED FOR THE CONSOLIDATION AND STREAMLINING OF LIKE FUNCTIONS AND ELIMINATION OF THE EXISTING BARRIERS BETWEEN SERVICES IN THE COMMUNITY AND SERVICES IN THE DEVELOPMENTAL CENTERS. THESE CHANGES ENHANCED THE DEPARTMENT'S INTRA-AGENCY COORDINATION AND THE ABILITY TO BE MORE RESPONSIVE TO DEVELOPMENTAL AND REGIONAL CENTER NEEDS.

F. IMPACT OF SERVICE REDUCTIONS

CLIENTS AND FAMILIES

THE BUDGET REDUCTION PROCESS ESTABLISHED BY SB 1045 AND CARRIED FORWARD IN SB 485 SEEKS TO PRESERVE THE ENTITLEMENT TO SERVICES FOR CLIENTS AND THEIR FAMILIES. ADDITIONALLY, THE PASSAGE OF SB 1383 CLARIFIES AND UPDATES THE PROGRAMMATIC PHILOSOPHY OF THE LANTERMAN ACT TO HELP ENSURE THE APPROPRIATE FOCUS AS PROGRAM CHANGES ARE IMPLEMENTED. THE DEPARTMENT BELIEVES THAT THE ENTITLEMENT HAS BEEN MAINTAINED, IN SPITE OF BUDGET REDUCTIONS. HOWEVER, CLIENTS AND FAMILIES WERE NOT UNAFFECTED. SOME OF THE CHANGES WERE POSITIVE, E.G., IMPROVED SERVICES THROUGH CONVERSION OF FACILITIES, INCREASED CONTROL AND FLEXIBILITY WITH CERTAIN NEW PAYMENT MECHANISMS (VOUCHERS), ETC.

ADVERSE IMPACTS REGIONAL CENTERS WHICH HAVE REPORTED

DUE TO OPERATIONS BUDGET REDUCTIONS INCLUDE THE FOLLOWING: REGIONAL CENTER STAFF BEING LESS ACCESSIBLE TO CLIENTS/FAMILIES, SLOWER RESPONSE TIME TO VARIOUS REQUESTS DUE TO INTERNAL BACKLOGS/LACK OF STAFF, REDUCTION IN CASE MANAGEMENT SERVICES DUE TO INCREASING CASELOADS, SIGNIFICANTLY REDUCED PREVENTION SERVICES, INCONVENIENCE/DISRUPTION TO FAMILIES, AND REDUCED ABILITY OF REGIONAL CENTERS TO MONITOR CLIENT SERVICES AND CARE. THE DEPARTMENT IS ALSO CONCERNED THAT THE DIMINISHED ABILITY OF REGIONAL CENTERS TO MONITOR THE HEALTH AND SAFETY OF VULNERABLE CLIENTS PLACED IN RESIDENTIAL CARE FACILITIES, PARTICULARLY FOR CLIENTS WHO DO HAVE AN INVOLVED PARENT, MAY LEAD TO AN INCREASE IN HEALTH AND CARE PROBLEMS.

SERVICE PROVIDERS

SERVICE PROVIDERS WERE AFFECTED BY THE REGIONAL CENTERS' OPERATIONS BUDGET REDUCTIONS BY SLOWER RESPONSE TIME

FROM REGIONAL CENTER STAFF, DELAYS IN VENDOR PAYMENTS, AND PROVISION OF LESS TECHNICAL ASSISTANCE FROM REGIONAL CENTER STAFF. REGIONAL CENTERS' POS BUDGET REDUCTIONS WERE FELT BY PROVIDERS IN THOSE INSTANCES WHERE THE REGIONAL CENTER'S LEVEL OF PAYMENT FOR SERVICES WAS NEGOTIATED LOWER. THIS AFFECTS PROVIDER REVENUE UNLESS INCREASED FUND-RAISING IS INITIATED TO MAINTAIN THE REVENUE BASE. RESIDENTIAL CARE FACILITY RATES HAVE NOT BE ADJUSTED SINCE 1988 AND THEREFORE PROVIDERS ARE EXPERIENCING REAL RATE REDUCTIONS BECAUSE OF THE ERODING EFFECTS OF INFLATION. RESIDENTIAL PROVIDERS REPORT INCREASING DIFFICULTY IN FINDING AND RETAINING WELL QUALIFIED DIRECT-CARE STAFF PERSONS DUE TO THE RELATIVELY LOW WAGES PAID.

DEPARTMENT OF DEVELOPMENTAL SERVICE HEADQUARTERS

DDS HEADQUARTERS EXPERIENCED A TOTAL REDUCTION OF 65.5 POSITIONS IN FY 1991-92 AND A 6.0 POSITION REDUCTION FOR FY

1992-93. THE REDUCTIONS INCLUDED:

PROGRAM ASSESSMENT DIVISION:

16 POSITIONS CUT, RESULTING IN PERIODIC AUDITS OF REGIONAL CENTERS ON A PRIORITY BASIS.

COMMUNITY SERVICES DIVISION:

6 POSITIONS CUT, RESULTING IN DECREASED SUPPORT AND TECHNICAL ASSISTANCE TO REGIONAL CENTERS.

DEVELOPMENTAL CENTERS DIVISION:

2 POSITIONS CUT, RESULTING IN ELIMINATION OF THE ADMISSION AND RELEASE COORDINATION FUNCTION.

DIRECTOR'S OFFICE:

14.5 POSITIONS CUT, RESULTING IN REDUCED CAPABILITY TO MANAGE SPECIAL PROJECTS SUCH AS STUDIES OF INDEPENDENT LIVING SERVICES, EMPLOYMENT PRACTICES OF CARE FACILITIES, AND

DDS' LONG-RANGE PLAN.

ADMINISTRATION DIVISION:

33 POSITIONS CUT, RESULTING IN REDUCED FIELD COLLECTION ACTIVITIES AND SECRETARIAL SUPPORT. REDUCED DC FISCAL SYSTEMS CAPABILITY RESULTING IN DELAY IN PROCESSING FISCAL DOCUMENTS. REDUCED TRANSPORTATION MANAGEMENT AND INFORMATION SECURITY CAPABILITY. REDUCED ABILITY TO DEVELOP NEW METHODOLOGIES FOR ESTIMATING COMMUNITY COSTS AND DC CASELOAD. REDUCED LABOR RELATIONS CAPABILITY. REDUCED SPAN OF SUPERVISION AND SECRETARIAL SUPPORT. REDUCED PERSONNEL SERVICES CAPABILITY.

DEVELOPMENTAL CENTERS

THE DEVELOPMENTAL CENTERS HAVE HAD TO ABSORB SOME OF

THE WORK LOAD PREVIOUSLY PERFORMED BY DDS HEADQUARTERS. IN ADDITION TO THIS, THEY MUST HOLD POSITIONS VACANT TO COMPENSATE FOR UNDER FUNDING IN OTHER AREAS OF THE BUDGET, SUCH AS WORKERS' COMPENSATION AND VARIOUS OPERATION EXPENSE CATEGORIES WHERE COST INCREASES HAVE NOT BEEN RECOGNIZED.

REGIONAL CENTERS

THE DEPARTMENT BELIEVES THAT REGIONAL CENTERS HAVE SUSTAINED THE MOST SERIOUS AND DAMAGING BUDGET REDUCTIONS OF ALL ENTITIES IN THE DEVELOPMENTAL SERVICES SYSTEM. THE DEPARTMENT IS CONCERNED THAT TWO YEARS OF UNALLOCATED REDUCTIONS TO REGIONAL CENTERS' OPERATIONS BUDGET HAS SEVERELY IMPAIRED THEIR ABILITY TO MEET THEIR EXISTING STATUTORY AND CONTRACTUAL REQUIREMENTS. REGIONAL CENTERS ARE CONTINUING TO FREEZE HIRING, LAY OFF STAFF, CLOSE BRANCH OFFICES, AND TAKE OTHER ACTIONS

NECESSARY TO MAINTAIN BASIC OPERATIONS. ONE REGIONAL CENTER'S PROPOSED EXPENDITURE PLAN FOR FY 1992-93 INDICATES THAT IT IS UNABLE TO MEET THEIR EXISTING CONTRACTUAL AND STATUTORY REQUIREMENTS WITHOUT BEING GRANTED SIGNIFICANT RELIEF.

G. OUTCOME/EFFECTIVENESS MEASURES

DEVELOPMENTAL CENTERS

EACH STATE DEVELOPMENTAL CENTER HAS A QUALITY ASSURANCE (QA) OFFICE WHICH IS RESPONSIBLE FOR REVIEWING THE OUTCOMES AND DETERMINING THE EFFECTIVENESS OF SERVICES BEING PROVIDED TO DEVELOPMENTAL CENTER RESIDENTS ON AN ONGOING BASIS.

IN ADDITION TO THE ONGOING REVIEW OF OUTCOMES AND EFFECTIVENESS, DEVELOPMENTAL CENTER QA OFFICES ARE ALSO RESPONSIBLE FOR OVERSEEING THE COMPLETION OF AN ANNUAL

AGENCY EVALUATION, WHICH IS A COMPREHENSIVE REVIEW OF OUTCOMES OVER THE PREVIOUS YEAR IN ALL ASPECTS OF THE FACILITY'S SERVICE DELIVERY AND OPERATIONS.

OTHER MEASURES OF OUTCOMES AND EFFECTIVENESS THAT ARE WIDELY USED IN DEVELOPMENTAL CENTERS, AND ARE USUALLY INCORPORATED IN COMPREHENSIVE EVALUATIONS, INCLUDE THE FOLLOWING:

- REPORTS OF LICENSING AND CERTIFICATION SURVEYS
- FINDINGS OF ASSESSMENTS COMPLETED USING THE CALIFORNIA QUALITY ASSURANCE STANDARDS FOR CLINICAL OUTCOMES
- MEASURES OF CONSUMER SATISFACTION
- CLIENT OUTCOME DATA

REGIONAL CENTERS

UNTIL THE BUDGET CUTS OF FY 1991-92, THE DEPARTMENT

EVALUATED THE EFFECTIVENESS OF REGIONAL CENTERS AND THEIR COMPLIANCE WITH EXISTING LAWS, REGULATIONS, AND THEIR CONTRACT THROUGH USE OF AN INSTRUMENT KNOWN AS THE PROGRAM ASSESSMENT OF REGIONAL CENTER (PARC). THE CENTERS WERE REQUIRED TO PREPARE AND SUBMIT A PLAN OF CORRECTIVE ACTION TO ADDRESS DEFICIENCIES IDENTIFIED BY THE TEAM. THE UNIT THAT PERFORMED THIS FUNCTION WAS ELIMINATED BECAUSE OF DEPARTMENT BUDGET REDUCTIONS.

RECENTLY ENACTED LEGISLATION (SB 1383) REQUIRES BEGINNING JANUARY 1, 1994, THAT THE DEPARTMENT ENTER INTO FIVE-YEAR PERFORMANCE CONTRACTS WITH REGIONAL CENTERS. THE CONTRACTS ARE REQUIRED TO INCLUDE REASONABLE SPECIFIC PERFORMANCE AND REPORTING REQUIREMENTS, BASED ON CONSUMER OUTCOMES, RELATIVE TO THE RESPONSIBILITIES OF REGIONAL CENTERS DEFINED IN LAW.

CLIENT OUTCOME DATA

SB 1045 ALLOWED REGIONAL CENTERS TO CONDUCT ANNUAL

REVIEWS OF CLIENTS LESS FREQUENTLY (ONCE EVERY THREE YEARS) TO HELP THEM ACCOMMODATE TO A CORRESPONDING REDUCTION IN THEIR OPERATIONS BUDGET.

DAY AND RESIDENTIAL PROGRAMS

EXISTING REGULATIONS REQUIRE REGIONAL CENTERS TO CONDUCT A QUALITY ASSURANCE EVALUATION FOR EACH OF ITS VENDORED RESIDENTIAL CARE FACILITIES AT LEAST ONCE EVERY THREE YEARS. REGIONAL CENTERS MUST ALSO HAVE A FACILITY LIAISON SCHEDULE AND COMPLETE A MINIMUM OF ONE MONITORING VISIT TO EACH RESIDENTIAL CARE FACILITY AT LEAST ONCE EVERY SIX MONTHS. EXISTING REGULATIONS GOVERNING COMMUNITY-BASED DAY PROGRAMS REQUIRE THE PROGRAM TO CONDUCT AN ANNUAL REVIEW OF ITS OWN PROGRAM'S EFFECTIVENESS IN RELATION TO THE PROGRAM DESIGN. HOWEVER, THESE REGULATORY REQUIREMENTS MAY BE RELAXED THIS YEAR BECAUSE OF BUDGETARY REDUCTIONS.

H. PILOT PROGRAMS/SUCCESSFUL MODELS

THE FOLLOWING ARE HIGHLIGHTS OF SOME OF THE SUCCESSFUL OR PROMISING PILOT PROGRAMS AND/OR MODELS OF SERVICE DELIVERY THAT HAVE BEEN INITIATED OR SUPPORTED BY THE DEPARTMENT IN THE LAST TWO YEARS.

EXTENDED FAMILY PROJECT:

THIS PROJECT TESTED THE ABILITY OF A FOSTER FAMILY AGENCY TO SERVE CHILDREN WITH SEVERE DISABILITIES IN A CERTIFIED FOSTER HOME. THE MODEL DEMONSTRATED THAT, WITH APPROPRIATE SERVICES AND SUPPORT, MANY CHILDREN WITH SEVERE NEEDS COULD BE VERY SUCCESSFULLY SERVED IN A CERTIFIED FOSTER HOME. THE PRIMARY BARRIER PREVENTING EXPANSION OR REPLICATION OF THIS PROJECT IS THE AVAILABILITY OF APPROPRIATELY TRAINED CERTIFIED FOSTER HOMES.

VOUCHERS

RESPITE IS THE MOST FREQUENTLY USED TYPE OF VOUCHER, WITH TRANSPORTATION BEING SECOND. THIS MECHANISM OF PAYMENT GENERALLY INCREASES FLEXIBILITY, CONTROL, AND CHOICE ON THE PART OF FAMILIES. HOWEVER, TAX IMPLICATIONS, EMPLOYER/EMPLOYEE LIABILITY, WORKER'S COMPENSATION, AND PAPERWORK HAVE BEEN CITED AS CONCERNS. RECENTLY, AT LEAST ONE REGIONAL CENTER RECEIVED A LETTER RULING FROM THE INTERNAL REVENUE SERVICE THAT THE VALUE OF VOUCHERED TRANSPORTATION AND RESPITE CARE IS EXCLUDABLE FROM THE GROSS INCOME FOR THE FAMILIES RECEIVING THE SERVICES.

OTHER REGIONAL CENTERS ARE SEEKING TO OBTAIN THE SAME RULING SINCE THE RULING WAS APPLICABLE ONLY TO THE INDIVIDUAL REGIONAL CENTER NAMED.

INDIVIDUAL FAMILY SERVICE PLAN (IFSP) PILOT PROJECT

THIS IS A PILOT-TEST OF A FAMILY-CENTERED APPROACH TO SERVICE DELIVERY FOR FAMILIES WITH CHILDREN AGED 0-3. THE PILOTS ARE BEING CONDUCTED AT FOUR SITES AND ARE EXPECTED TO BE COMPLETED BY DECEMBER 1992. THE PILOT WILL PROVIDE FISCAL AND PROGRAMMATIC DATA REGARDING THE IMPACT OF MEETING THE IFSP REQUIREMENTS OF PART H OF PUBLIC LAW 99-457 AND WILL ALSO PROVIDE INFORMATION ON THE IMPLICATIONS OF VARIOUS MODELS OF PROVIDING FAMILY-CENTERED SERVICES TO ALL FAMILIES.

STATE OPTIONS FOR COMMUNITY RESIDENCES (SOCR)

THE SOCR INITIATIVE IS DESIGNED TO EXPAND THE ROLE OF THE STATE IN ESTABLISHING SMALL RESIDENTIAL CARE FACILITY OPTIONS FOR PERSONS WHO OTHERWISE WOULD REMAIN IN DEVELOPMENTAL CENTERS.

SOCR PROVIDES FOR INTENSIVE RESIDENTIAL SERVICES IN FOUR OR SIX BED HOMES ON THE GROUNDS OF THE DEVELOPMENTAL CENTERS. AS OF JUNE 1992, STOCKTON OPENED THREE SIX-BED HOMES FOR CHILDREN AND ADULTS. IN LATE 1992 OR EARLY 1993, FAIRVIEW IS EXPECTED TO OPEN TWO HOMES, CAMARILLO THREE HOMES, AND SONOMA ONE ADDITIONAL HOME.

SUB-ACUTE CARE

THE DEPARTMENT IS EXPLORING THE POSSIBILITY ALONG WITH THE DEPARTMENT OF HEALTH SERVICES OF DEVELOPING A PEDIATRIC SUB-ACUTE CARE PROGRAM IN THE COMMUNITY FOR TECHNOLOGY DEPENDENT CHILDREN. IF SUCCESSFUL, THIS TYPE OF SERVICE WILL PROVIDE A MORE COST-EFFECTIVE AND NORMALIZING SETTING TO SERVE THESE CHILDREN WHO OFTEN MUST REMAIN IN INAPPROPRIATE INSTITUTIONAL SETTINGS WAITING FOR AN APPROPRIATE PLACEMENT. A MAJOR BARRIER TO ESTABLISHING THIS NEW PROGRAM IS THE AMOUNT OF TIME AND INTENSIVE, SUSTAINED STAFF EFFORT TO WORK THROUGH

THE POLICY AND REGULATORY ISSUES THAT ATTEND THE DEVELOPMENT OF ANY NEW HEALTH FACILITY CATEGORY.

REGIONAL RESOURCE DEVELOPMENT PROJECTS (RRDP)

THE RRDP'S PROVIDE A REGIONAL PLANNING AND RESOURCE DEVELOPMENT PARTNERSHIP THAT INCLUDES REGIONAL CENTER, DEVELOPMENTAL CENTER AND AREA BOARD REPRESENTATIVES. RRDPS IDENTIFY THE NEEDS OF DEVELOPMENTAL CENTER RESIDENTS WHO ARE READY TO RETURN TO THE COMMUNITY, COORDINATE RESOURCE DEVELOPMENT ACTIVITIES, DEVELOPMENTAL CENTERS TO THE COMMUNITY. THE CONCEPT WAS FIRST PILOT TESTED IN FY 1991-92. IN JUNE, THE RRDP'S WERE EXPANDED TO INCLUDE ALL SEVEN AREAS OF THE STATE SERVED BY A DEVELOPMENTAL CENTER.

COMMUNITY SUPPORTED LIVING ARRANGEMENTS PROJECT (CSLA)

CALIFORNIA WAS ONE OF EIGHT STATES SELECTED TO PILOT CSLA IN OCTOBER 1991. THE STATE WAS ALLOTTED ALMOST $12 MILLION OF FEDERAL FUNDS FOR CSLA TO BE USED OVER A FIVE-YEAR PERIOD. SEVEN REGIONAL CENTERS VOLUNTEERED TO PARTICIPATE IN THE CSLA PROJECT (ALTA, NORTH BAY, EAST BAY, TRI-COUNTIES, WESTSIDE, NORTH LOS ANGELES, AND SAN DIEGO). THE ADMINISTRATIVE STRUCTURE WAS COMPLETED AND INDIVIDUALS BEGAN RECEIVING SERVICES IN LATE APRIL 1992. OVER 20 INDIVIDUALS ARE CURRENTLY BEING SERVED AND THE DEPARTMENT EXPECTS AT LEAST 50 TO BE SERVED BY THE END OF THE CALENDAR YEAR. THE BUDGET PROBLEMS THIS YEAR HAVE FORCED REGIONAL CENTERS TO MOVE FORWARD CAUTIOUSLY, BUT THE NUMBER OF INDIVIDUALS RECEIVING SERVICES IS EXPECTED TO INCREASE SIGNIFICANTLY OVER THE NEXT YEAR.

SUPPORTED LIVING PILOT PROJECT

FY 1990-91 BUDGET LANGUAGE REQUIRED THE DEPARTMENT TO IMPLEMENT A DEMONSTRATION PROJECT BASED ON THE 'SUPPORTED LIVING MODEL.' THE DEPARTMENT WAS REQUIRED TO DESIGNATE TWO REGIONAL CENTERS, EVALUATE THE EFFECTIVENESS AND FISCAL IMPACT OF THE PILOT PROJECTS, AND PROVIDE INFORMATION REGARDING THE PILOT PROJECTS TO THE LEGISLATURE. THE FIRST PARTICIPANT IN THE PILOT PROJECT MOVED INTO AN APARTMENT IN AUGUST 1990. SINCE THAT TIME, 46 INDIVIDUALS HAVE BEEN INVOLVED IN THE PROJECT. FURTHER ANALYSIS WILL DETAIL THE FINDINGS OF THESE PILOTS.

VOCATIONAL REHABILITATION (VR) EXPANSION

I ADDRESSED THE VR EXPANSION EFFORT EARLIER WHEN I DISCUSSED INTRA- AND INTERAGENCY COORDINATION. THE PRIMARY BARRIERS AFFECTING THE SUCCESS OF THIS EFFORT

INCLUDE INCENTIVES FOR PROVIDERS, THE COMPLEXITY OF THE PROCESS, AND THE ABILITY OF EXISTING REGIONAL CENTER AND DR STAFF TO ABSORB THE ADMINISTRATIVE WORKLOAD ASSOCIATED WITH THIS EFFORT.

CONSUMER EMPOWERMENT

A NUMBER OF SIGNIFICANT ACTIVITIES DESIGNED TO INCREASE CONSUMER PARTICIPATION AND INVOLVEMENT IN THE SYSTEM HAVE BEEN ACCOMPLISHED OR ARE PLANNED. THE FOLLOWING ARE EXAMPLES:

- DDS ESTABLISHED A DEPARTMENTAL CONSUMER ADVISORY COMMITTEE.

- DDS ESTABLISHED THE OFFICE OF CONSUMER LIAISON.
- A CONSUMER ADVISORY COMMITTEE WILL BE FORMED IN ALL REGIONAL CENTERS

- AN ADDITIONAL PEOPLE FIRST GROUP WAS ESTABLISHED IN A DEVELOPMENTAL CENTER AND THE DEVELOPMENTAL CENTERS' PEOPLE FIRST GROUPS ARE ALSO BEING ENCOURAGED TO COLLABORATE WITH COMMUNITY PEOPLE FIRST GROUPS.
- DISABILITY AWARENESS HAS BEEN PROMOTED THROUGH PRESENTATIONS IN PUBLIC SCHOOLS, SERVICE CLUBS, AND SIMILAR ORGANIZATIONS.
- A VIDEO PRODUCTION PROMOTING THE HIRING OF PERSONS WITH DEVELOPMENTAL DISABILITIES IN HEALTH CLUBS WAS DEVELOPED BY THE DEPARTMENT.

FUTURE PLANS INCLUDE ORGANIZING A CONSUMER' LEADERSHIP CONFERENCE, DEVELOPING EDUCATIONAL VIDEOS FOR CONSUMERS, CONDUCTING TRAINING SESSIONS FOR CONSUMERS ON PUBLIC SPEAKING, AND ESTABLISHING CONSUMER ADVISORY COMMITTEES.

QUALITY ASSURANCE

THE DEPARTMENT HAS DEVELOPED "THE CALIFORNIA STANDARDS," A SET OF OUTCOME-BASED STANDARDS AND AN ASSESSMENT PROTOCOL WHICH WILL BE USED TO ASSESS THE QUALITY OF SERVICES IN DEVELOPMENTAL CENTERS. THE STANDARDS ARE BEING IMPLEMENTED AND INITIAL ASSESSMENTS, WHICH WILL SERVE AS A BASELINE FOR FUTURE PROGRESS MEASURES, ARE BEING COMPLETED.

CONCLUSIONS

SB 1045 PROVIDED A MEANS BY WHICH THE DEVELOPMENTAL SERVICES SYSTEM SUCCESSFULLY ACHIEVED A REDUCTION IN REGIONAL CENTER FUNDING WITHOUT COMPROMISING THE ENTITLEMENT TO SERVICES FOR PERSONS WITH DEVELOPMENTAL DISABILITIES. THIS IS A MAJOR ACCOMPLISHMENT, GIVEN THE MAGNITUDE OF THE REQUIRED REDUCTION. A SIMILAR APPROACH FOR MANAGING THE BUDGET REDUCTIONS THIS FISCAL YEAR WAS

MANDATED BY SB 485.

SB 1045 REQUIRED THAT EACH REGIONAL CENTER DEVELOP, IN COLLABORATION WITH ITS COMMUNITY, A SPECIFIC PLAN FOR ACHIEVING THE NECESSARY SAVINGS. SB 1045'S MANDATES FOR LOCAL DEVELOPMENT OF THE PLANNING PROCESS AND SPECIFIC BUDGET REDUCTION IS A FUNDAMENTAL REASON FOR ITS SUCCESS. WITHIN BROAD PARAMETERS ESTABLISHED BY THE STATE, LOCAL COMMUNITIES DEVELOPED SPECIFIC BUDGET REDUCTION STRATEGIES FOR ACHIEVING NECESSARY SAVINGS IN A WAY THAT MINIMIZED THE IMPACT ON CLIENTS, FAMILIES, PROVIDERS, AND REGIONAL CENTERS. LOCAL COMMUNITIES' SUCCESS IN THIS REGARD FAR SURPASSED WHAT WOULD HAVE BEEN ACHIEVED HAD A RIGID, STATE-IMPOSED APPROACH FOR ADDRESSING THE BUDGET REDUCTION BEEN EMPLOYED.

THE SB 1045 BUDGET REDUCTION EFFORT ENTAILED HARD WORK AND SACRIFICE BY CLIENTS, FAMILIES, PROVIDERS, AND REGIONAL CENTERS. SERVICES TO CLIENTS AND THEIR FAMILIES REMAINED

AVAILABLE, ALTHOUGH THE MODE OF SERVICE DELIVERY WAS SOMETIMES CHANGED. THIS MOST OFTEN OCCURRED IN THE TRANSPORTATION AND RESPITE AREAS WHERE THE USE OF VOUCHERS WAS EMPLOYED. SOME FAMILIES WELCOMED THESE CHANGES WHILE OTHERS DID NOT.

REGIONAL CENTERS AND THEIR COMMUNITIES WERE REQUIRED TO FORGE NEW AND COLLABORATIVE WORKING RELATIONSHIPS TO IMPLEMENT SB 1045. THIS WAS PARTICULARLY DIFFICULT IN SERVICE AREAS WHERE RELATIONS BETWEEN CERTAIN ELEMENTS IN THE COMMUNITY AND THE REGIONAL CENTER WERE FRAGILE. IN THESE AREAS, THE STRESSES ASSOCIATED WITH THE BUDGET REDUCTIONS REVEALED A STATE OF RELATIONS IN NEED OF IMPROVEMENT. AS NOTED PREVIOUSLY, THE MOST IMPORTANT FACTOR IN REGIONAL CENTERS' ABILITY TO GAIN COMMUNITY COOPERATION WHEN DEVELOPING AND IMPLEMENTING THEIR PLANS WAS THEIR RELATIONSHIP WITH THE COMMUNITY. IN VIEW OF THE STATE'S CONTINUING ECONOMIC AND BUDGET DIFFICULTIES, IT IS ESSENTIAL THAT ALL STAKEHOLDERS IN THE

DEVELOPMENTAL DISABILITIES SYSTEM EMBRACE AND APPLY THE IMPORTANT LESSONS LEARNED THIS YEAR AS THE STATE ENTERS YET ANOTHER DIFFICULT BUDGET YEAR WITH LITTLE RELIEF IN SIGHT.