

# THE CALIFORNIA SELF-DETERMINATION PILOT PROJECTS

*The intent of self-determination is to facilitate consumer and family control of public funds such that they have the freedom to develop and purchase their own services.*

## INDIVIDUAL BUDGETS

**General Definition:** One intent of self-determination is to turn control of a specific amount of funds to the consumer and/or family. Consumers then have the freedom to purchase services from a variety of sources. A consumer can gain the experience of making personal choices, and hopefully, relationships that will be helpful for future decision-making. Individual budgets are developed by the consumer, family, or circle of support. The funding agency representatives may or may not be a part of this budget planning group. In California, regional center staff will help develop the budget.

The individual budget successfully empowers the consumer to live and work effectively in his or her community. A good person-centered plan (PCP) is the foundation for the self-determined, individual budget. The PCP identifies a consumer's strengths, needs, and resources. A consumer may want a professional, who has expertise and is either independent or employed by the regional center, to act as his or her personal service broker. The service broker will work for the consumer and with the regional center and service providers to implement the individualized services addressed in the consumer's PCP and individual budget. The service broker will help the consumer maintain his or her individual budget according to the allocation of funds transferred from the regional center to the individual's budget.

**Types of Individual Budgets:** There are different methods to determine the amount of money a consumer will be allocated for his or her individual budget. Some methods are based on a percentage of either the consumer's historic service cost, current service cost, or a combination of both. These costs can include: in-home supports, transportation, day program, respite, and other services. Other methods utilize a formal assessment, which indicates a level of services and designates an amount of money to be allocated for a consumer's individual budget. Another approach is to use one or a combination of these methods, plus additional information resources such as the Federal/State Bureau of Labor Statistics' Expenditure Data Guidelines for Households, which gives the following information

on living expenses: costs for utilities, food, clothing, transportation, and personal discretionary funds.

## **Budget Setting Using a Quantitative Measurement**

The Quantitative Assessment includes:

- A standard formal assessment process which is administered to everyone using the self-determination model. The areas for evaluation may include: diagnostic criteria, daily living skills, consumer purchase of service information, and extraordinary medical, physical, or behavioral challenges.
- The consumer's age, lifestyle, family supports, residential and community settings.
- Informal or generic resources which the consumer can use instead of regional center-financed services, such as public transportation or In-Home Supportive Services.

This assessment is completed for all in the self-determination model, and a composite score is tallied and associated with a budget amount. Budget amounts can be set differently for each person or they can be assigned to groups with an associated budget. The quantitative measurement process gives the funding agency a fairly precise knowledge of the resources allocated to each consumer. This information can be used to track the total amount of money allocated to all consumers using the self-determination model.

## **2. Budget Setting Using a Personal Planning Process**

A budget setting process based on the individual's needs and preferences includes:

- A PCP, written with the help of family, friends, and professionals.
- The consumer's person-centered choices on how and where they want to live, work, and socialize, in their community, including necessary supports.
- A review of the consumer's current Individual Program Plan, which helps to estimate current costs associated with the consumer's services and supports. This review may include the following areas: in-home supports, chore services, special technology needs, day program, vocational training services,

etc.

- Budget amounts which are calculated based on historical individual rates or by using the cost for the service(s) available in the individual's local community.
- The use of natural, informal supports and/or generic services.

Once a budget figure is reached, it may require approval by an oversight authority. This added step is necessary so that the sum of the individual budgets does not exceed the total budget for all participants.

### **3. Budget Setting Using Historic Costs**

The historic cost budget setting process utilizes the purchase of service (POS) expenditures from the individual's previous year of service costs. The consumer will develop their individual budget using this pool of money, from the prior fiscal year, and redistribute this money to develop his or her "individual budget" using the person centered planing process. This process could help the public funding agency ensure cost neutrality as it develops the self-determination service model based on the consumer's historic cost data, which is the basis for the agency's current year budget.

Budget setting using historic costs can be done in a second way, by reviewing the individual's POS costs from the previous fiscal year in conjunction with a review of the aggregate group POS costs from the previous fiscal year, for consumers with similar needs who are participating in the self-determination model. The range between the individual's previous budget POS costs and the self-determination participant group's mean POS costs could serve as the basis for the budget. The exact amount from within that range would be based upon the needs of the individual, as identified in the PCP.

## **EXAMPLES FROM OTHER STATES**

### **1. Wyoming - Individual Resource Allocations (IRAs)**

Individual resource allocations are a means of decoupling dollars from specific service types or community organizations in favor of setting a budget, in which the individual and family members make choices concerning services that will meet

their needs and choose the agencies/individuals who will furnish them.

The Wyoming Doors methodology is used for determining consumers' IRAs and these individuals participate in the State's Medicaid Home and Community-Based Services (HCBS) Waiver program. The IRAs are developed through statistical analyses of the interplay among consumer characteristics, current services, and costs.

The Basis for Determining IRAs:

- The HCBS Waiver uses the services that have been previously authorized for each person. There must be an individualized, written service plan, which addresses and affirms the person's need for the service(s).
- The consumer's characteristics are measured by the *Inventory for Client and Agency Planning* (ICAP) instrument. The ICAP is used to assess the characteristics that would affect the intensity of supports which a consumer may require.
- The economic factors that are considered include the costs of serving a consumer in one town versus another, and any provider agency characteristics that, from an efficiency standpoint (i.e., staff to client ratio), have a bearing on cost.

The Doors' IRAs are produced in advance of a consumer's planning meeting. The consumer then works with a planning team to produce a service plan within this dollar amount, making use of the service categories covered in Wyoming's HCBS Waiver and other resources/supports that are available. Adjustments can be made in a consumer's budget allocation, if the local planning team finds that necessary services and supports cannot be paid for with the amount allocated.

[This information was excerpted from the *National Association of State Directors of Developmental Disabilities Services' Community Services Reporter*, April 1999. For more information, contact: Jon Fortune, Division of Community Programs, Department of Health, Herschler Building, First Floor West, Cheyenne, WY 82002-0170; Telephone Number: (307) 777-6488.]

## **2. Wisconsin - The Structure to Support Individualized Funding**

Wisconsin's Dane County sets consumer allocations based on the previous year's expenses. Each person receiving support from the system has an Individual Rate based upon their need for support within a calendar year. People currently receiving services have an Individual Rate based upon actual prior year spending, with

adjustments based on any legislative funding increases provided in subsequent years. For people entering the system, the Individual Rate is based on the existing situation in Dane County. Currently, two individuals with disabilities are supported together. Thus, the current Individual Rate is the cost of support the County would expect to spend on a given consumer sharing expenses with another person with disabilities. The Individual Rate is comprised of the following four components:

- **The 24-Hour Support Component:** This component establishes the direct number of direct support (face-to-face) hours needed for a consumer and accounts for any hours that the person can function independently. This is calculated for a 24-hour period and includes the associated costs that providers typically assign to each support hour. The total number of direct support hours needed is divided by two, assuming that two consumers are supported together.
- **The Support Broker Component:** For consumers who use individualized funding to determine how they wish to receive support, the overall planning, coordination, and quality assurance roles of case managers is assumed by support brokers. Consequently, the support broker component is based on current use of case management time for individuals who require a given level of base support. Currently, the average case management time allocation is 3 hours per month, however, the range of hours varies from 1 hour per month to more than 20 hours per month. It is assumed that the time allocation for support brokers will be similar to that of case managers. Support brokers are required to have monthly contact with the consumers they serve, as well as annual and semi-annual meetings with the consumer and their circle of support. The support brokers' contract costs are paid separately from the Individual Rate.
- **Housing Component:** This component uses available information (the Madison Area Apartment Association) for typical rental units, which are calculated by geographic location. For individuals requiring live-in support, typical costs for a three-bedroom apartment (one bedroom for each consumer and one bedroom for a companion or staff person) are used.
- **Personal Living Funds Component:** Dane County uses the "Federal/State Bureau of Labor Statistics Expenditure Data Guidelines" for a household of two to establish the Individual Rate for Personal Living Funds. Personal Living Funds include utilities, food, clothing, transportation, and discretionary funds.

Individuals have the option of retaining their cash benefits (i.e., continue to receive

their own benefit checks) or can direct others as their representative payee. If individuals choose to retain their benefit checks, a supplemental amount beyond their benefit will be paid, if deemed necessary.

Certain adjustments can be made to each of the components to account for individual needs and circumstances. This could include needs for atypical residential or vocational supports, unusually high co-payments or housing costs (add-on's) or significant personal income or support paid through Medical Assistance (subtractions).

Once the four components are determined (with the necessary add-on's or subtractions), the Individual Rate is derived. This Individual Rate is converted to an Individual Rate Range by adding and subtracting 10% to the Individual Rate. This accounts for any minor discrepancies the Individual Rate calculations and allows consumers to go above the Individual Rate for exceptional situations without any review. There are informal review and formal appeal processes, if the Individual Rate range is thought to be inaccurate. [The Dane County information was excerpted from *Forging A Partnership: Individualizing Funding and Increasing Choices for People with Developmental Disabilities in Dane County*; For more information, contact: Dennis Harkins, A Simpler Way, 5826 Bartlett Lane, Madison WI 53711; Telephone Number: (608) 274-6014; E-mail: DWharks@aol.com.]