COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE

FY 2013-14 STAFF BUDGET BRIEFING

DEPARTMENT OF HUMAN SERVICES

(Services for People with Disabilities, Developmental Disabilities Council, and the Colorado Commission for the Deaf and Hard of Hearing)

JBC Working Document - Subject to Change **Staff Recommendation Does Not Represent Committee Decision**

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DEPARTMENT OF HUMAN SERVICES

(Services for People with Disabilities, Developmental Disabilities Council, and the Colorado Commission for the Deaf and Hard of Hearing)

Department Overview

The following council, commission, and division within the Department of Human Services are covered in this document.

Developmental Disabilities Council provides coordination, planning, and advice on the best direction for developmental disabilities services in Colorado.

Colorado Commission for the Deaf and Hard of Hearing has three primary responsibilities: (1) ensure hearing impaired persons have access to general government services, (2) distribute assistive telecommunications equipment to hearing impaired persons, and (3) ensure the availability of legal interpreters in the courts for hearing impaired individuals.

Services for People with Developmental Disabilities Division is comprised of the following programs:

Division of Developmental Disabilities does the following:

- Administers the three community based Medicaid waivers for people with developmental disabilities;
- Collaborates with the Department of Health Care Policy and Financing to ensure compliance with federal Medicaid waiver requirements and Medicaid appropriations; and
- Communicates and coordinates with Community Center Boards regarding waiver policies and rate changes.

Division of Regional Centers operates group homes in Grand Junction, Wheat Ridge, and Pueblo, and the campuses facilities in Wheat Ridge and Grand Junction for individuals with developmental disabilities who have complex medical and/or behavioral needs.

Division of Vocational Rehabilitation oversees *v*ocational rehabilitation programs designed to enable individuals with any type of disability to participate in the general work force. Specific programs include:

- The School-to-Work Alliance Program which provides job development, on-the-job training, and job-site support to students with disabilities in a school setting;
- The Business Program for Individuals Who Are Blind assists blind or visually-impaired individuals in operating vending and food service businesses in state and federal buildings;
- Provides services to individuals suffering from traumatic brain injuries; and
- The Independent Living Council which grant funds for services to individuals with disabilities that enable these individuals to live independently.

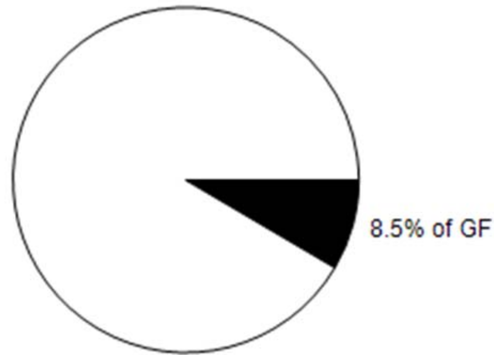
State Veterans Nursing Homes subdivision manages and operates the four state Veterans Nursing Homes and one domiciliary (assisted living facility).

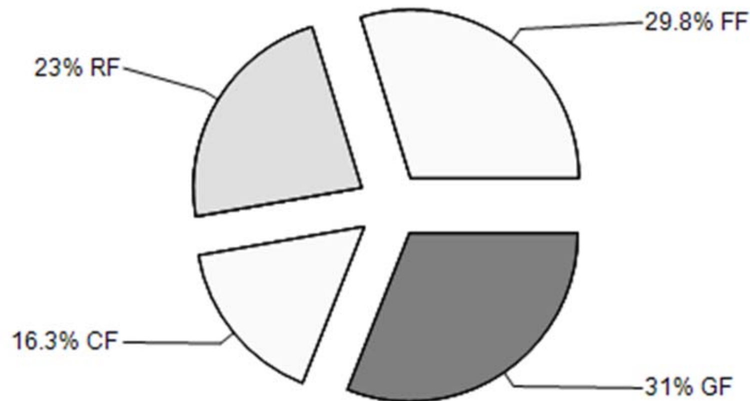
Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14 *
General Fund	$623,196,849	$619,593,123	$642,011,487	$680,113,157
Cash Funds	341,382,102	329,545,321	336,871,969	333,282,024
Reappropriated Funds	469,989,726	455,037,280	475,870,742	493,399,494
Federal Funds	704,693,428	649,001,182	616,568,241	614,989,282
Total Funds	**$2,139,262,105**	**$2,053,176,906**	**$2,071,322,439**	**$2,121,783,957**
Full Time Equiv. Staff	5,177.4	4,849.6	4,878.6	4,886.7

*Requested appropriation.

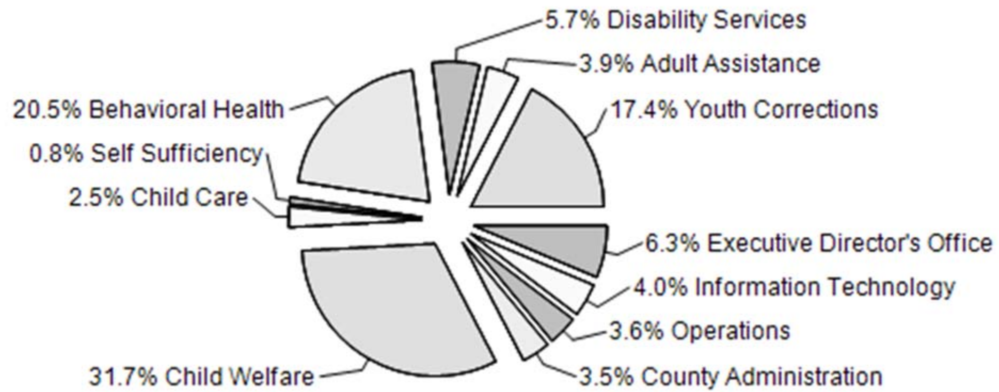
Department Budget: Graphic Overview



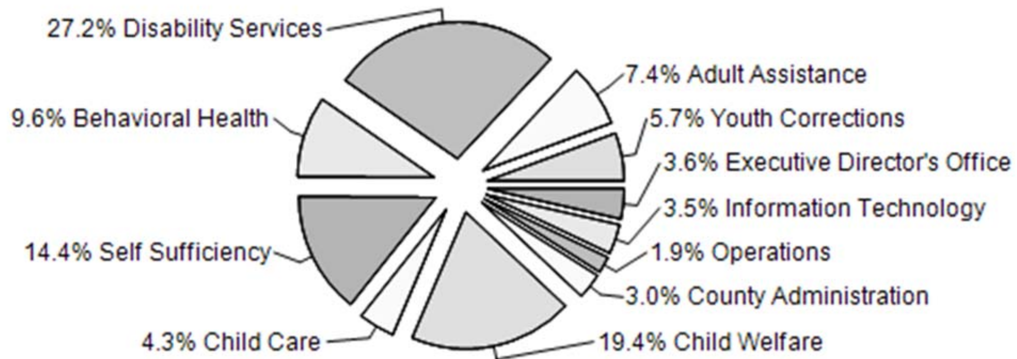


All charts are based on the FY 2012-13 appropriation.

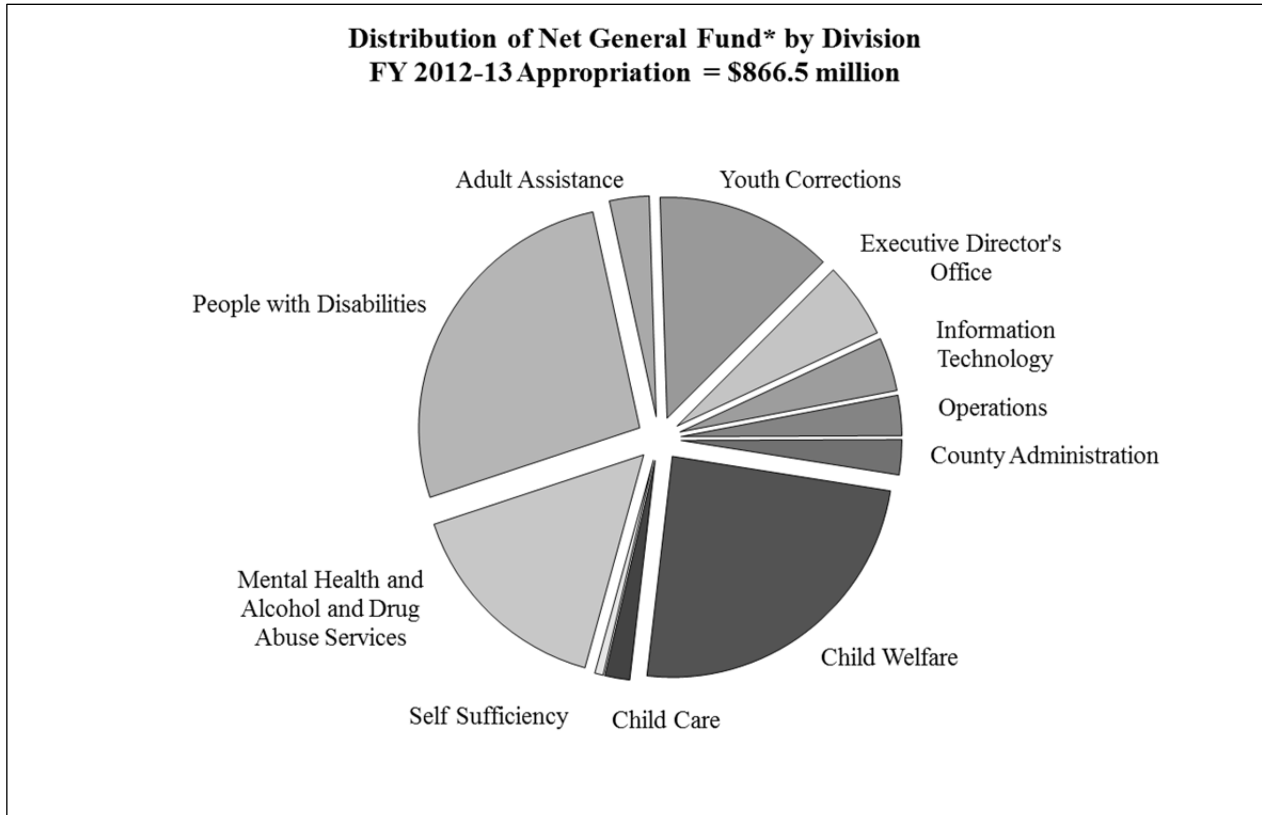
Distribution of General Fund by Division



Distribution of Total Funds by Division



All charts are based on the FY 2012-13 appropriation.



*Net General Fund includes General Fund appropriated to the Department of Human Services and General Fund appropriated to the Department of Health Care Policy and Financing for human services programs.

General Factors Driving the Budget

Youth with Developmental Disabilities Aging Into Adult Waivers

Youth with developmental disabilities receive services through either the Children's Extensive Support waiver (CES) or the Children's Habilitation Residential Program waiver (CHRP). Funding for full bed placements for these youth when they age into the adult waivers is not required, but the General Assembly has made the decision that once an individual is receiving services as a youth, it is a core function of government to ensure that services are continued regardless of the individual's age.

Children's Extensive Support Waiver

The CES waiver provides services to youth younger than eighteen years old that are able to remain in the family home. Upon turning eighteen, youth receiving CES services are transitioned to the adult supported living waiver because of the existing support structure. With the exception of FY 2010-11, when no new full time bed placements (FBP) were added, an average of 28 FBP have been added each year since FY 2008-09 at an average annual cost of $560,957 total funds. The Department has requested 38 FBP for FY 2013-14 at a full year cost of $441,256 total funds (the request is only for half a year due to the fact that the youth will not turn eighteen on July 1, 2013, and FY 2014-15 would be the first year of the full cost). The following table summarizes the number of supported living FBP that have been added since FY 2008-09.

Cost of Youth Aging Off of the CES Waiver to the Adult Supported Living Waiver				
	FBP	Full Year Cost		Average Annual FBP Cost
		Total Funds	Net GF	
FY 2008-09	28	$513,246	$243,792	$18,330
FY 2009-10	29	504,978	252,490	17,413
FY 2010-11	0	0	0	0
FY 2011-12	35	361,888	180,944	10,340
FY 2012-13	50	863,714	431,858	17,274
Five Year Total	**142**	**$2,243,826**	**$1,109,084**	**$63,357**
Five Year Average (does not include FY 2010-11)	28.4	560,957	277,271	15,839
FY 2013-14 Request	**38**	**$441,256**	**$220,628**	**$11,612**

Children's Habilitation Residential Program Waiver

The CHRP waiver provides services to youth with developmental disabilities in the foster care system until age twenty-one. Upon turning twenty-one, these youth will no longer qualify for foster care and have no support structure upon leaving the foster care system. Due to the lack of a support structure these youth are transitioned into the comprehensive waiver. With the exception of FY 2010-11 when no FPB were added, an average of 39 FPB at an average cost of $66,399 per FBP. The FY 2013-14 request seeks 50 FBP at a full year cost of $3,148,600 (the request is only for half a year because the youth will not turn twenty-one on July 1, 2013, and FY 2014-15 would be the first year of the full cost). The following table summarizes the number of supported living FBP that have been added since FY 2008-09.

Cost of Youth Aging Out of Foster Care to the Adult Comprehensive Waiver				
	FBP	Full Year Cost		Average Annual FBP Cost
		Total Funds	Net GF	
FY 2008-09	45	$4,096,530	$1,872,372	$91,034
FY 2009-10	37	3,331,556	1,530,598	90,042
FY 2010-11	0	0	0	0
FY 2011-12	66	361,888	180,944	5,483
FY 2012-13	46	3,635,703	1,817,852	79,037
Five Year Total	**194**	**$11,425,677**	**$5,401,766**	**$265,596**
Five Year Average (does not include FY 2010-11)	38.8	2,856,419	1,350,442	66,399
FY 2013-14 Request	**50**	**$3,148,600**	**$1,574,300**	**$62,972**

Funding for Emergencies and Individuals on the Waiting List

Developmental disability waiver services are not subject to the standard Medicaid program service and duration limits. As part of the waiver, Colorado is allowed to limit the number of waiver program participants which has resulted in a waiting list for services. The General Assembly is not required to appropriate funds for individuals waiting for services, but has made the policy decision to provide additional funds for waiver services in past years. These funds have been used for individuals who experience emergency situations (i.e. the death of their care giver, or loss of a home) or are on the waiting list. The table on the following page shows how many FBPs, since FY 2008-09, have been funded for both comprehensive and supported living services.

Cost of Funding Emergency and Waiting List FBP Since FY 2008-09				
Waiver	**Fiscal Year**	**FBP**	**Total Cost**	**Net GF**
Comprehensive Emergency FBP				
	FY 2008-09	62	$5,063,684	$2,291,916
	FY 2009-10	0	0	0
	FY 2010-11	0	0	0
	FY 2011-12	30	1,833,030	916,515
	FY 2012-13	47	3,277,712	1,638,856
	FY 2013-14	40	2,518,880	1,259,440
Subtotal - Comp. Emergency FBP		*179*	*$12,693,306*	*$6,106,727*
Comprehensive Waiting List FBP				
	FY 2008-09	198	12,186,662	6,093,331
	FY 2009-10	0	0	0
	FY 2010-11	0	0	0
	FY 2011-12	0	0	0
	FY 2012-13	0	0	0
	FY 2013-14	93	5,856,396	2,928,198
Subtotal - Comp. Waiting List FBP		*291*	*$18,043,058*	*$9,021,529*
Supported Living Services Waiting List FBP				
	FY 2008-09	200	3,666,040	1,833,020
	FY 2009-10	0		
	FY 2010-11	0		
	FY 2011-12	0		
	FY 2012-13	30	457,260	200,328
	FY 2013-14	7	81,284	40,642
Subtotal - SLS Waiting List FBP		*237*	*$4,204,584*	*$2,073,990*
Total Emergency and Waiting List FBP		**707**	**$34,940,948**	**$17,202,246**

Waiting List for Developmental Disability Services

The waiting list itself is not driving the budget for developmental disability services, but it does impact the annual executive branch request for funding, as well, as decisions made by the General Assembly during the budget process. It should be noted that the waiting list is a snapshot in time, and only includes those individuals who have actively sought services. The waiting list does not capture how many individuals are eligible for services, or who may have stopped seeking services because of the length of time required to wait for services. The following tables provided by the Department show as of September 30, 2012, the size of the waiting list for services paid with Medicaid funds and the waiting list for services funded with General Fund.

Department of Human Services-Office of Long Term Care
Division for Developmental Disabilities
Medicaid Funding Requested Waiting List Report
September 30, 2012

			WAITING LIST UNDUPLICATED COUNTS					
			No Current Services-Waiting for HCBS-DD	Receiving HCBS Services-Waiting for HCBS-DD	Total Waiting List for HCBS-DD	Total Waiting List for HCBS-SLS	Unduplicated Adult HCBS Services Total	HCBS-CES
Requested Enrollment	Currently Waiting for Enrollment	Count	1,136	726	1,863	282	2,145	437
Estimated	Medicaid	Count	1,136	726	1,863	282	2,145	437
Age Group	Birth-2.9	Count	n/a	n/a	n/a	n/a	n/a	1
	3-13.9	Count	n/a	n/a	n/a	n/a	n/a	376
	14-15.9	Count	n/a	n/a	n/a	n/a	n/a	32
	16-17.9	Count	32*	n/a	32*	10*	42*	28
	18-27.9	Count	853	313	1,166	178	1,344	n/a
	28-37.9	Count	102	230	332	46	378	n/a
	38-47.9	Count	56	80**	137	23	160	n/a
	48-57.9	Count	58	56	114	20	134	n/a
	58 Older	Count	35	47	82	5	87	n/a
	Total with Age 16-17.9	Count	1,104	726	1,831	272	2,103	-
	Total CES	Count	n/a	n/a	n/a	n/a	n/a	437

**These individuals are not currently eligible for services due to not meeting the minimum age requirement.*

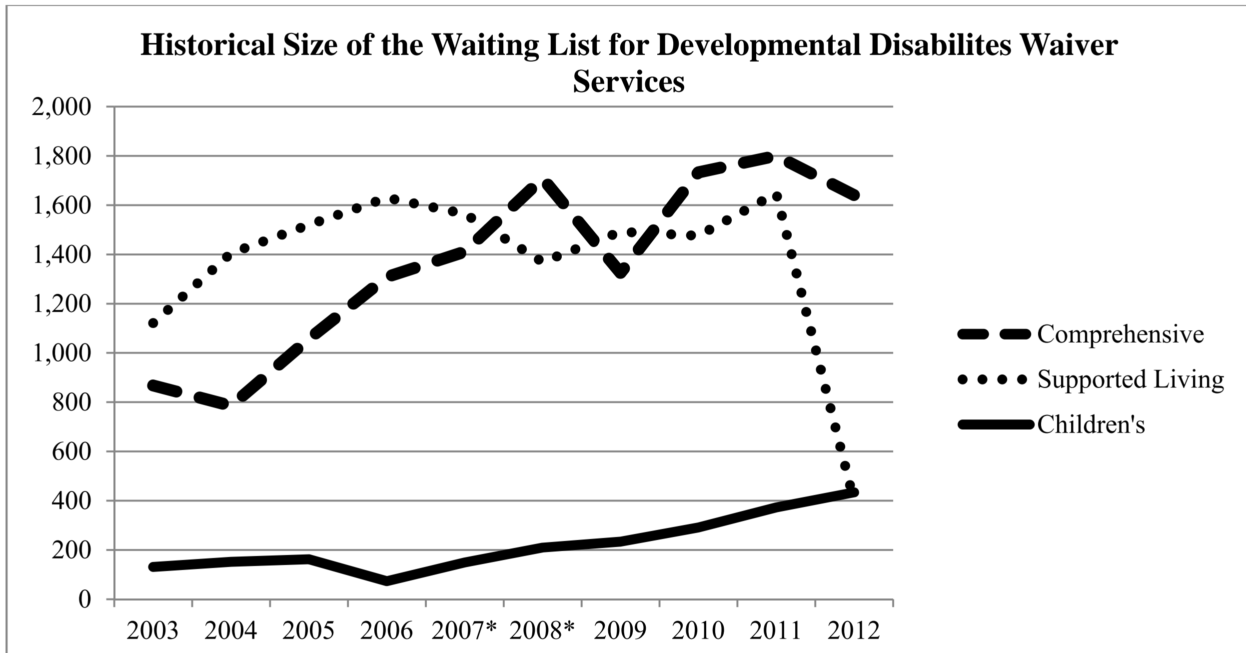
***One individual receiving OBRA Nursing Home State SLS funded services and requesting HCBS-DD services is included in the count.*

Department of Human Services-Office of Long Term Care
Division for Developmental Disabilities
State Funding Requested Waiting List Report
September 30, 2012

			WAITING LIST UNDUPLICATED COUNTS	
			Total Waiting List for State SLS	Family Support Services Program
Requested Enrollment	Currently Waiting for Enrollment	Count	155	5,569
Estimated Funding	State	Count	155	5,569
Age Group	Birth-2.9	Count	n/a	704
	3-13.9	Count	n/a	3,705
	14-15.9	Count	n/a	159
	16-17.9	Count	2	159
	18-27.9	Count	71	681
	28-37.9	Count	29	109
	38-47.9	Count	18	32
	48-57.9	Count	22	15
	58 Older	Count	13	5
	Total with Age 16-17.9	Count	153	842
	Total FSSP	Count	n/a	5,569

The following chart illustrates the overall growth in demand for services available through the developmental disabilities waivers. The drastic drop in the number of individuals waiting for supported living services in 2012 is a result of a change in how the Department reports individuals who are waiting for either comprehensive or supported living services. Therefore the

number of individuals waiting for services was either over inflated in years prior to 2012, or the 2012 numbers under report the number of individuals waiting for supported livings services.

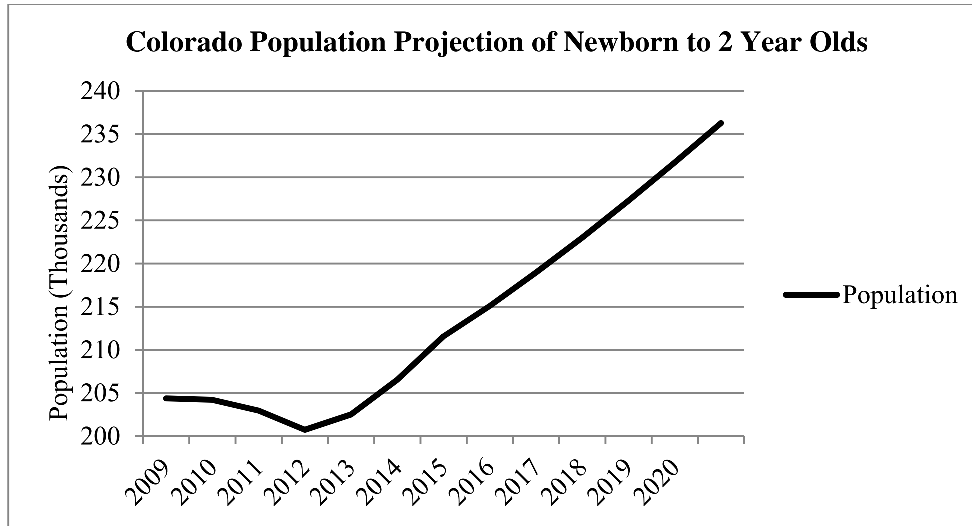


Early Intervention Services

Early Intervention Services are provided to infants and toddlers, up to age two, who meet one of the following three criteria:

- have been determined to have a developmental delay or disability;
- have been diagnosed with a physical or mental condition that has a high probability of resulting in a significant delay in development; or
- are living with a parent who has a developmental disability.

Funding for EI Services is from General Fund (58.9 percent in FY 2012-13), the Early Intervention Services Trust Fund (13.4 percent in FY 2012-13), and federal funds (27.7 percent in FY 2012-13). As a condition of receiving federal funds, the state is required to provide EI services to all eligible infants and toddlers. The following graph shows the projected growth of the newborn to 2 year old population in Colorado through 2020 (information provided by the State Demography Office).



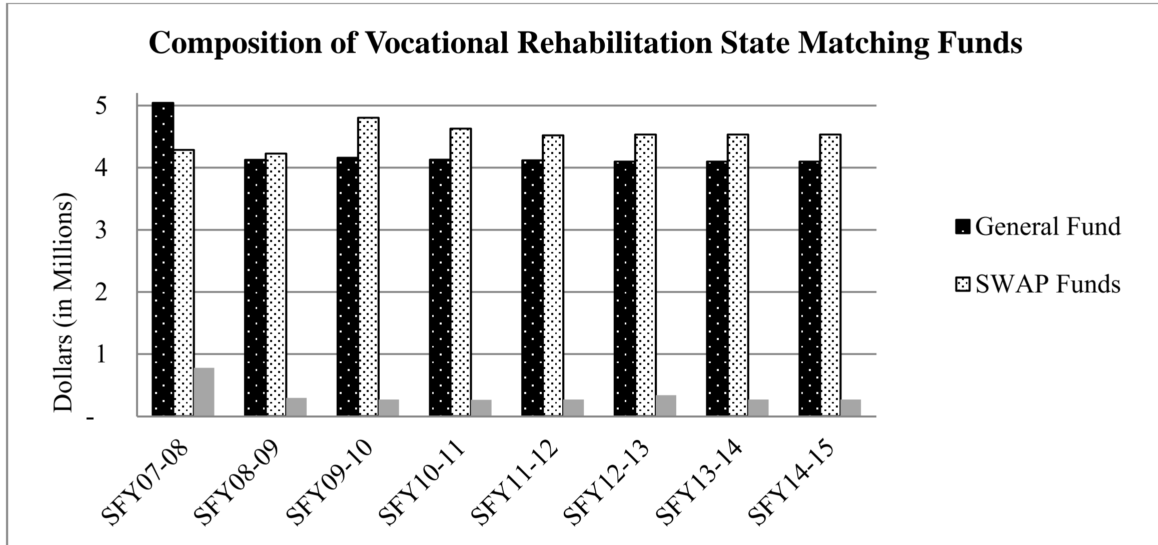
Since Colorado is required to provide EI services to all eligible infant and toddlers who seek these services, and as the population of zero to two year olds grows, so does the number of infants and toddlers eligible for EI services. The following table shows the number of infants and toddlers served over the past five years and the percent of the total age population. Note the population is based on the calendar year and the number served is based on the fiscal year. The Early Intervention Services issues will discuss this topic in further detail.

EI Services Case Load			
Fiscal Year (FY)	Unduplicated Number of Infants and Toddlers Served in FY	CY Population*	Percent of Total Population
FY 2007-08	7,649	204,376	3.7%
FY 2008-09	10,016	204,219	4.9%
FY 2009-10	10,739	202,972	5.3%
FY 2010-11	10,990	200,746	5.5%
FY 2011-12	11,762	202,521	5.8%
*The CY used is the second year in the FY.			

Vocational Rehabilitation Program Funding

Vocational rehabilitation programs assist individuals, whose disabilities result in barriers to employment or independent living, with obtaining and maintaining employment and/or independent living. Funding for these programs is a combination of federal funds and state matching funds. For every dollar of state funds, the federal government contributes $3.69. The state matching funds are from two primary sources, the General Fund, and school districts for the School-to-Work Alliance Program (SWAP). The Division has become more reliant on the match drawn down by SWAP funds as shown in the following graph. The amount of SWAP funds fluctuates from year to year depending on the financial status of school districts and heavy reliance on SWAP funds to draw down the federal matching funds is not viewed favorably by the

federal government because of the perceived inability of the state to adequately match the federal grant amount with state funds.



Federal vocational rehabilitation funds are subject to the estimated sequestration cut of 8.2 percent. If sequestration goes into effect, the projected cut to the $40.5 million grant would be approximately $3.3 million. The cut would be spread over nine months (January to September 2013) because the grant is for the federal fiscal year which runs October to September. The anticipated impacts of such a cut would be to close vocational rehabilitation services to new clients, and the creation a waiting list for vocation rehabilitation services.

Provider Rates

The General Assembly has regularly adjusted provider rates for the community providers to account for inflationary changes and to ensure that programs serving individuals with developmental disabilities are viable over the long-term. Statewide rate changes are determined each year by the Joint Budget Committee as a statewide common policy decision. The Department instituted a DD specific rate cut as a means of managing the appropriation in FY 2009-10. The table below shows the provider rate changes from FY 2006-07 through the FY 2013-14 Department request.

Community Provider Rate Changes								
	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14*
Statewide Rate Change	3.25%	1.5%	1.5%	0.0%	(2.0%)	0.0%	0.0%	1.5%
DD specific Rate Change	0.0%	0.0%	0.0%	(2.5%)	0.0%	0.0%	0.0%	0.0%

Summary: FY 2012-13 Appropriation & FY 2013-14 Request

Department of Human Services (Services for People with Disabilities, Developmental Disabilities Council, and the Commission for the Deaf and Hard of Hearing)	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	$563,464,024	$36,832,306	$73,884,338	$396,319,457	$56,427,923	1,719.8
Other legislation	659,150	5,004	469,616	184,530	0	1.5
TOTAL	**$564,123,174**	**$36,837,310**	**$74,353,954**	**$396,503,987**	**$56,427,923**	**1,721.3**
FY 2013-14 Requested Appropriation:						
FY 2012-13 Appropriation	$564,123,174	$36,837,310	$74,353,954	$396,503,987	$56,427,923	1,721.3
R-1: New Developmental Disabilities FBP	13,055,339	0	0	13,055,339	0	0.0
R-2: Early Intervention Services Funding	1,783,968	148,125	0	1,635,843	0	0.0
R-5: Provider rate increase	5,844,801	451,239	55	5,393,507	0	0.0
R-12: Technical changes	(86,613)	0	(86,613)	0	0	(2.0)
Annualize prior year funding	4,071,472	0	0	4,071,472	0	0.0
Annualize prior year legislation	(189,534)	(5,004)	0	(184,530)	0	0.0
TOTAL	**$588,602,607**	**$37,431,670**	**$74,267,396**	**$420,475,618**	**$56,427,923**	**1,719.3**
Increase/(Decrease)	$24,479,433	$594,360	($86,558)	$23,971,631	$0	(2.0)
Percentage Change	4.3%	1.6%	(0.1%)	6.0%	0.0%	(0.1%)

R-1: Developmental Disabilities FBP: The request includes additional funding for a total of 809 full bed placements (FBP) for adults and youth with developmental disabilities. The following table summarizes the details of the request.

FY 2013-14 Developmental Disabilities Full Bed Placement Request			
Type	**Title**	**Description**	**Number of FBP**
HCBS-DD	Foster Care Transitions	FBP for youth who turn 21 years of age during FY 2013-14 who require comprehensive waiver services	50
HCBS-DD	Comprehensive Emergencies	FBP to be allocated to CCBs who have individuals experiencing unforseen circumstances which force the individual into needing comprehensive services	40
HCBS-DD	High-risk Waiting List	FPB for individuals who are categorized as a high risk individual on the waiting list.	93
HCBS-DD	Dually Diagnosed Individuals	Five FPB to transition individuals out of Regional Centers to make room for five dually-diagnosed individuals who have completed treatment at the Mental Health Institutes	5
Subtotal HCBS-DD			*188*
HCBS-SLS	CES Age Outs	FPB for children turning 18 years old during FY 13-14 who are current receiving services and require supported living services	38
HCBS-SLS	High-risk Waiting List	FPB for adults on the SLS waiting list who are categorized as high risk	7
Subtotal HCBS-SLS			*45*
HCBS-CES	Children's Slots	FPB for all children on the current waiting list and for children projected to be added to the waiting list by the end of FY 2013-14.	576
Total FY2013-14 New Slots			**809**

R-2: Early Intervention Services Funding: The request includes additional funds for early intervention direct services and case management need to accommodate the growth in the number of eligible infants and toddlers up to age two.

R-5: Provider rate increase: For the divisions covered in this staff briefing document, the request includes the addition of $5.8 million total funds (including $3.1 million net General Fund) for FY 2013-14 to implement a 1.5 percent increase in provider rates paid to community providers responsible for the provision of services to individuals with developmental disabilities.

R-12: Technical changes: The request includes three transfers to align the Long Bill appropriation with how the funds are actually expended. The transfers include: moving case management funds for individuals in state operated HCBS-DD waivers, relocating funds for management of the Early Intervention Services Trust Fund, and moving funds for non-Medicaid functions done by CCBs.

Annualize prior year funding: The request includes the annualize of the FBPs added in FY 2012-13 for individuals requiring either comprehensive or supported living services.

Annualize prior year legislation: The request includes the second year impact of reversing the pay date shift for state employees paid from the General Fund on a biweekly basis.

Issue: Regional Centers Information Request and Performance Audit Update

The services provided to individuals with developmental disabilities through State-run group homes and Regional Center campuses cost between 27.4 percent and 51.4 percent more than similar services from private providers in the community. During FY 2012-13, the State Auditor's Office is conducting a performance audit of the Regional Centers.

SUMMARY:

- In the Department's response to the legislative request for information for the Regional Centers, the Department indicated that services provided through the Regional Centers cost 27.4 percent to 51.4 percent more than similar services provided by community providers in the same geographic area.

- The State Auditor's Office is conducting a performance audit, requested by the Joint Budget Committee and approved by the Legislative Audit Committee, on the Regional Centers. The audit is expected to be completed during the 2013 interim.

- The Department, utilizing a performance based analysis strategy call C-Stat, has developed four Regional Center measures, to track how effective and efficient the Regional Centers are at transitioning individuals to community settings.

RECOMMENDATION:

Staff recommends the Department discuss the effectiveness of efforts to stabilize and return individuals to community settings, and any issues raised specific to Regional Centers through the C-Stat process at the hearing.

DISCUSSION:

Regional Centers are state operated facilities for individuals with developmental disabilities. Regional Centers provide residential services, medical care, and active treatment programs based on individual assessments and habilitation plans. Services are provided in one of two settings: large congregate residential settings on the Regional Center campus; or group homes which serve four to six individuals in a community setting.

The campuses are licensed as Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID). With the exception of the groups homes in Wheat Ridge, which are licensed as ICF/IID, group homes are licensed as comprehensive developmental disability waiver homes (waiver), which is the same license used by community run group homes.. The following table shows the type of licensure at each of the Regional Centers.

Regional Center Bed Setting and License Type					
	Setting	**Number of Group Homes**	**License Type**	**Total Beds**	**Percent of Total Beds**
Grand Junction					
	Campus		ICF/IID	38	12.6%
	Community	10 Group Homes	Waiver	64	21.2%
Grand Junction					
	Campus				41.7%
	Campus*	5 Group Homes	ICF/IID	126	
	Community	14 Group Homes			
Pueblo	Community	11 Group Homes	Waiver	74	24.5%

*The five group homes on the campus are known as Kipling Village and serve men, in a secure setting, who are intellectually and developmentally disabled and who exhibit problematic sexual behaviors.

Individuals Served at Regional Centers

The majority of individuals served by Regional Centers have multiple handicapping conditions, such as maladaptive behaviors, or severe and/or chronic medical conditions that require specialized and intensive levels of services. Over the past year, Regional Centers have started serving individuals who require short or long term stabilization. Individuals with multiple handicapping conditions community placements tend to be difficult or impossible secure, so Regional Centers are the only viable option. Regional Center placement is intended to be temporary until the individual is able to transition back to a community setting for individuals requiring short or long term stabilization. The following table shows the bed distribution in FY 2011-12 by clinical need.

FY 2011-12 Allocation of Regional Center Beds By Primary Clinical Need				
	Grand Junction	**Wheat Ridge**	**Pueblo**	**All Regional Centers**
Behavioral/Psychiatric needs – only	50	27	20	97
Co-occurring with Behavioral/Psychiatric Needs				
Sex Offender	8	30	0	38
High Medical Needs	25	44	14	83
Long Term 1-to-1	11	9	7	27
Subtotal	*44*	*83*	*21*	*148*
Other	8	16	33	55
Total Census	**102**	**126**	**74**	**300**

Admission Criteria
To determine if the needs of an individual with developmental disabilities align with the services provided at a Regional Center, staff use the following three admission questions. A positive answer to one or more question will indicate if Regional Center placement may be a viable option.

1. Does the individual have extremely high needs requiring very specialized professional medical support services?
2. Does the individual have extremely high needs due to challenging behaviors?
3. Does the individual pose significant community safety risks to others and require a secure setting?

Services and Funding Mechanisms for Regional Centers
Medicaid pays a daily rate based on the actual cost of services for individuals in ICF/IID beds. In community based group homes, services provided to individuals in waiver beds are paid based on the individual's level of need and corresponding fee-for-service level. The level of services offered for individuals in ICF/IID beds is more extensive than services offered directly through the HCBS-DD waiver, as shown in the following table. Individuals on the waiver who require additional services, will receive those services through the through the State Medicaid Plan. The comparison of the expenses of Regional Centers and community based settings discussed in this issue take into account the additional cost of services provided through the State Medicaid Plan.

Comparison of Services Available Through HCBS-DD Waiver and ICF/IID License

Services	Waiver		ICF/IID	
	Provided through waiver	Provided through State Medicadi Plan	Provided through license	Provided through State Medicaid Plan
Residental	X		X	
Vocational	X		X	
Transportation	X		X	
Activites of Daily Living (bathing, dressing, etc.)	X		X	
Dental		X	X	
Occupation		X	X	
Physical and speech Therapies		X	X	
Mental health services		X	X	

Legislative Requests for Information and An Audit
During the FY 2012-13 budget process the General Assembly questioned why Regional Centers cost considerably more than community settings. In order to better understand the cost and role of Regional Centers the General Assembly did two things: (1) sent a legislative request for information, and (2) requested the State Auditor's Officer conduct a performance audit of the Regional Centers. The Department also initiated changes to the purpose and use of the Regional Centers.

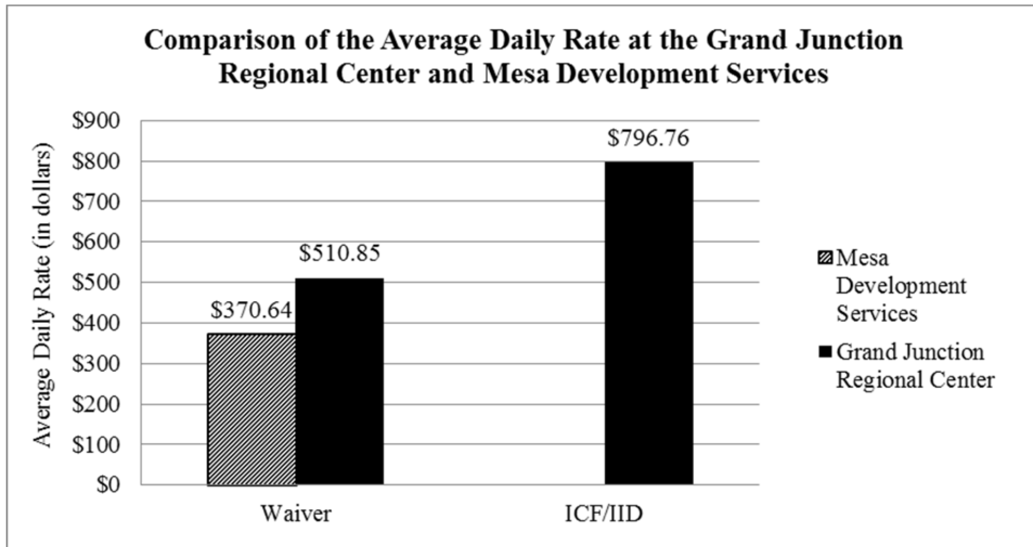
Legislative Request for Information
In response to concerns over the cost, purpose, and future use of Regional Centers, the General Assembly sent a request for information to the Department asking the following questions:

1. What services are provided at Regional Centers which can be provided by community providers and the associated costs?
2. What current funding and fiscal policies of the Regional Centers have been reviewed and the outcome?
3. What issues will need to be addressed related to community capacity, transition, and the establishment of a safety net and what is the associated fiscal impact?
4. How the Department will ensure an integrated health care system is available to those who are transitioned to the community and require specialized health care and the associated cost analysis.
5. Whether an individual currently served at a Regional Center is periodically assessed to determine whether they are able to successfully transition into the community.
6. Steps the Department has taken to ensure stakeholders are involved in the discussions about the policy and fiscal options.

The most striking information provided in the response was the cost comparison of Regional Centers to the Community Center Board (CCB) whose catchment area included the Regional Center (i.e. provided community based services in the same geographic area as the Regional Center). The response also indicated Regional Centers will focus on four types of services as part of the Department's effort to modernize the future role of Regionals Centers including:

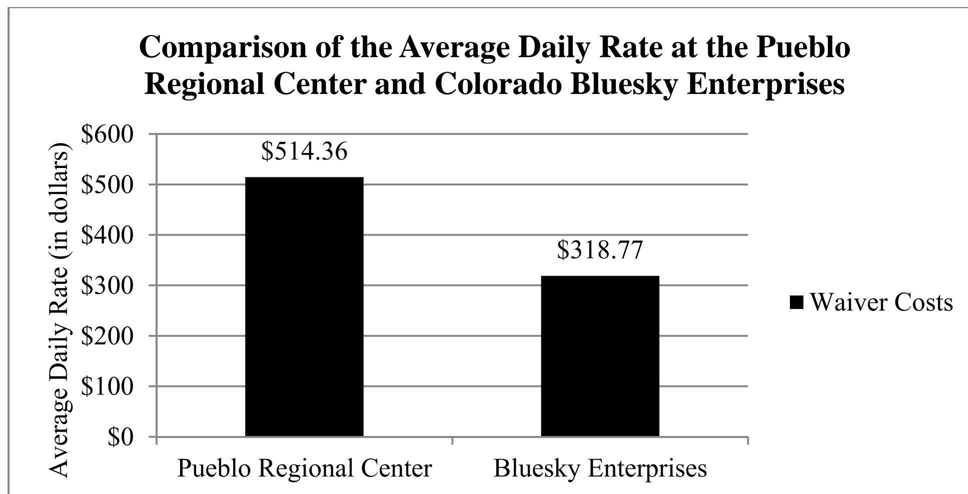
- Short-term stabilization and treatment for persons with developmental disabilities and behavioral health issues;
- Short-term treatment for individuals with medical crises;
- Offense specific, highly focused treatment for individuals with developmental disabilities and a history of sex offenses; and
- Long term care for individuals who require extensive services for a long period of time.

Comparison of Costs for Grand Junction Services
The CCB that serves the Grand Junction area is called Mesa Development Services. As shown in the following graphic, waiver beds operated by the Grand Junction Regional Center cost 27.4 percent more than waiver beds operated by Mesa Development Services. The waiver cost also includes the individuals transitioned out of the skilled nursing facility one the Grand Junction Regional Center campus into group homes operated by Mesa Development Service starting in FY 2009-10.



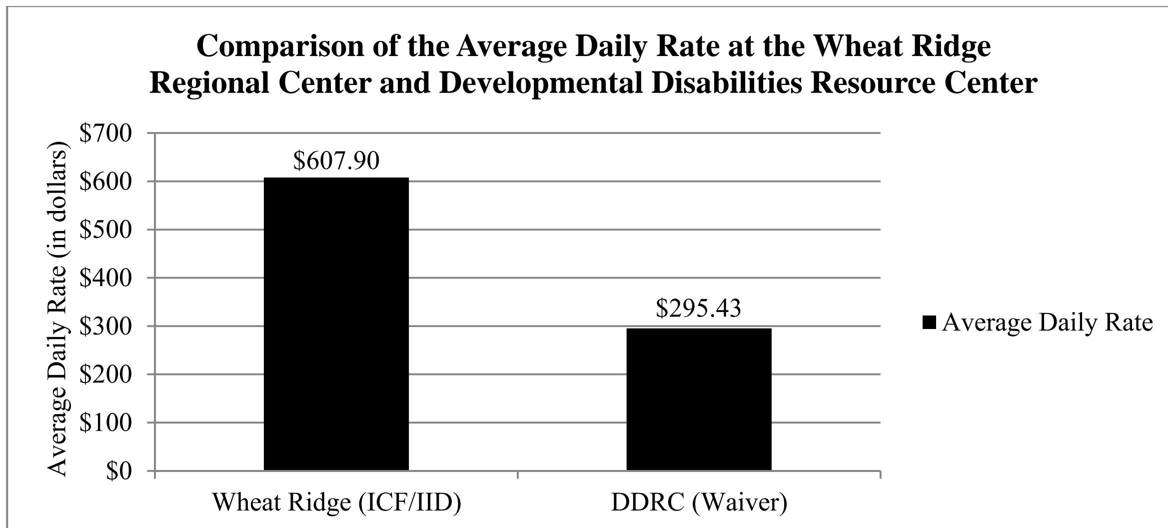
Comparison of Costs for Pueblo Services

The CCB that serves the Pueblo area is called Colorado Bluesky Enterprises. As shown in the following graphic, waiver beds operated by the Grand Junction Regional Center cost 38.0 percent more than waiver beds operated by Mesa Development Services. All beds operated at the Pueblo Regional Center are waiver beds which provide similar, if not the same services as the waiver beds operated by the CCB.



Comparison of Costs for Wheat Ridge Services

The comparison of the average daily rate at the Wheat Ridge Regional Centers and the CCB whose catchment area that includes the Wheat Ridge Regional Center is not a like unit comparison because all the beds at the Regional Center are licensed as ICF/IID and all the CCB beds are licensed as waivers. The CCB that serves the Wheat Ridge area is called Developmental Disabilities Resource Center (DDRC). As shown in the following graphic, ICF/IID beds operated by the Wheat Ridge Regional Center cost 51.4 percent more than waiver beds operated by DDRC.



Regional Center Performance Audit

At the August 2012 meeting the Legislative Audit Committee approved the performance audit of the Regional Centers pursuant to the request from the Joint Budget Committee. There are two sets of questions the auditors are using as an initial guide for their audit work included below. The auditors have indicated the audit will be completed next summer.

1. Does the Department of Human Services consistently use the results of needs assessments to place individuals with developmental disabilities in the setting that best meets the needs of the individuals, the individuals' families, and the community, and to determine what services they should receive? Does the Department periodically reassess the needs of those individuals who are already receiving services through the developmental disabilities system and adjust placements and services accordingly?

2. How do the Regional Centers' administrative and operational costs compare with similar types of costs incurred in the community programs? Are there opportunities to achieve administrative and operational efficiencies (i.e. staff allocation, facilities, etc.), without reducing the level of care, at the three Regional Centers, and to better manage the waitlist for developmental disability services? If so, what cost savings could be realized by implementing these efficiencies and what impact could they have on the waitlist?

Regional Center C-Stat Measures

The Department has implemented C-Stat, a management strategy that analyzes performance which uses the most current data to identify what processes are working and which ones are not working to achieve specific goals. As shown in the following table, the Department has established four measures specific to the Regional Centers. **Staff recommends the Department discuss the effectiveness of efforts to stabilize and return individuals to community settings, and any issues raised specific to Regional Centers through the C-Stat process at the hearing.**

Regional Center C-Stat Measures		
	Measure	**Why This Measure**
1	Reduction of Physical Intervention	Reducing the use of physical interventions decreases the likelihood of trauma and creates a safer environment overall.
2	Time from Admission to Ready to Transition	Reducing the length of time to become ready for transition/discharge puts individuals on a path toward enhanced independence more quickly.
3	Length of time to transition/discharge	Reducing the length of time to transition/discharge puts individuals on a path toward enhanced independence more quickly.
4	Percent of residents with no relapse 90 days post-transition/discharge	A relapse within 90 days may reflect a failure of continuity of care between the Regional Center and the private provider, resulting in patient suffering and subsequent need for residential care.

RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S STRATEGIC PLAN:

This briefing issue addresses issues integral to the departments' third performance goal which is to assist the elderly and people with developmental disabilities to reach their maximum potential through increased independence, productively and integration with in the community.

Issue: Colorado Choice Transitions Program

The Colorado Choice Transitions Program will enable the transition of 490 individuals from institutional settings (i.e. nursing facilities and Regional Centers) to community services over the course of five years.

SUMMARY:

- Colorado received $22.0 million federal funds for the Colorado Choice Transitions Program, to transition 490 individuals from nursing facilities and Regional Centers over the course of five years. The Department of Health Care Policy and Financing is the lead agency for the Program and will work with the Departments of Human Services, Local Affairs, and Public Health and Environment.

- The General Assembly has approved funding for the transition of individuals out of nursing facilities starting in FY 2012-13. The Department of Human Services, in coordination with the Department of Health Care Policy and Financing has not, as of this briefing, requested funding for the transition of individuals with developmental disabilities out of Regional Centers.

- The Department of Health Care Policy and Financing receives an enhanced federal match equal to 25.0 percent of the cost of services, which must be used for improvements to the long-term care system. One improvement the Department hopes to make is waiver modernization as recommended by the waiver modernization subcommittee of the Long-Term Care Advisory Committee.

RECOMMENDATIONS:

Staff recommends, if no supplemental is submitted on January 1, 2013, the Department of Human Services explain why no funding has been requested for the transition of individuals with developmental disabilities out of Regional Centers, and what measures the Department is pursuing to ensure emergency full bed placements are not being used for CCT Program participants.

Staff recommends the Department of Health Care Policy and Financing discuss at their hearing how they will communicate with the General Assembly how rebalancing dollars are being used.

DISCUSSION:

The Colorado Choice Transitions Program (CCT Program) is the Colorado version of the federal Money Follows the Person Demonstration. The CCT Program is designed to transition individuals currently served in institutional settings (nursing homes and Regional Centers) to community based settings. The CCT Program is also intended to build and improve the infrastructure supporting community based long term care services. The Department of Health Care Policy and Financing (HCPF) is the lead agency for the CCT Program, which also includes the Department of Human Services, Department of Public Health and Environment and the

Department of Local Affairs (the Structure of the CCT Program subsection of this issue will discuss in more detail the role of each department). Six benchmarks, shown below, have been developed as performance measure for the CCT Program.

CCT Program Benchmarks	
1	Meet the projected number of eligible individuals transitioned in each target group from an inpatient facility to a qualified residence during each calendar year of the demonstration.
2	Increase State Medicaid expenditures for home and community based services during each calendar year of the demonstration program.
3	Expand the array of supports and services available to consumers in community living situations.
4	Increase the availability of self-directed services.
5	Realign the roles and responsibilities of several entry point and case management agencies to streamline access to services and supports.
6	Increase access to housing opportunities for individuals of all abilities, including those transitioning to community living under the CCT program, and to other HCBS clients seeking community residential housing.

Genesis of the CCT Program

Olmstead Decision

On June 22, 1999 the Supreme Court ruled that the State of Georgia could no longer segregate two women with mental disabilities in a state psychiatric hospital long after the agency's own treatment professionals had recommended their transfer to community care. Georgia had appealed a lower court's ruling that the state violated the "integration mandate" of the Americans with Disabilities Act, claiming the ruling could lead to the closing of all state hospitals and disruption of state funding of services to people with mental disabilities. In upholding the integration mandate ruling, the Supreme Court affirmed that public agencies are required to provide services, "in the most integrated setting appropriate to the needs of qualified individuals with disabilities." The Court's opinion declared that:

> "states are required to place persons with mental disabilities in community settings rather than in institutions when the State's treatment professionals have determined that community placement is appropriate, the transfer from institutional care to a less restrictive setting is not opposed by the affected individual, and the placement can be reasonably accommodated, taking into account the resources available to the State and the needs of others with mental disabilities."[1]

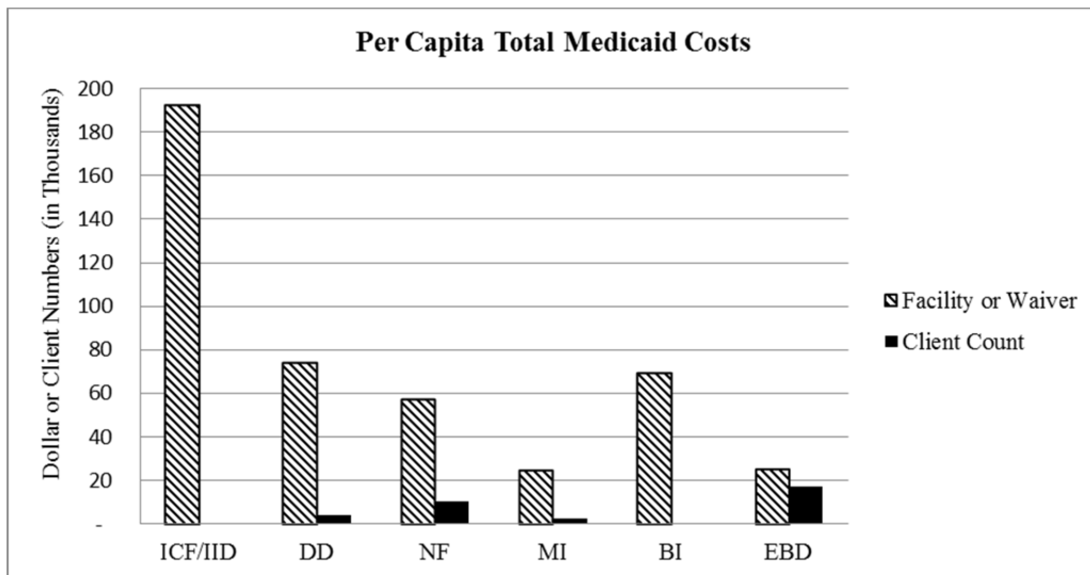
The six to three ruling became known as the Olmstead decision, and remains a driving force in shaping the policy surrounding institutional care compared to community based care. In response to the Olmstead ruling, HCPF convened a workgroup comprised of stakeholders, clients, family members and department staff to develop system redesigns and policy recommendations to enable Colorado to implement policies upheld in the Olmstead ruling. The following table outlined the six recommendations put forth by the Olmstead workgroup.

[11] "Tommy Olmstead, Commissioner, Georgia Department of Human Services, et al., Petitioners v L.C. by Jonathan Zimring, Guardian ad Litem and Next Friend, et al." http://www.law.cornell.edu/supct/pdf/98-536P.ZO

Table 1. Olmstead Report Recommendations

1)	***Sustainable financing-*** Identify current and future potential funding sources and reimbursement methodologies in order to maximize the availability of these services.
2)	***Policy integration -*** Identify barriers and enhance access to CBLTC services including systematic, on-going review of progress in implementing recommendations.
3)	***Increasing housing options available for people with all types of disabilities-*** Eliminate barriers to accessing affordable housing, inform the community of existing housing options, and increase affordable/accessible housing units through a number of funding strategies.
4)	***Expand the current array of services-*** Increase services to all individuals to include the supports available to people in institutions and those available to people in the community to avoid unnecessary institutionalization.
5)	***Stabilize and grow the direct service workforce-*** Identifying opportunities to improve retention and recruitment of direct service workers including training/credentialing.
6)	***Better inform the community about the services available-*** Identify best practices to encourage informed choice for individuals in need of long-term care services and develop informational tools to disseminate to the public about available HCBS.

<u>Cost of Institutional Care versus Community Based Care</u>
As shown in the following graph[2], the average annual costs for nursing facilities (NF) is $48,449, and similar services provided through the Elderly, Blind and Disabled waiver (EBD) are, on average, $12,281 per year. For individuals with developmental disabilities, services provided in Regional Centers (ICF/IID facilities) average $192,192 per year, while similar community services are $66,847 per year. The CCT Program would enable eligible individuals in ICF/IID and NF facilities to transition to community places.



<u>Structure of the CCT Program</u>

As stated above, implementation of the CCT Program involves the following five departments:

1. Department of Health Care Policy and Financing (HCPF);

[2] Information is from the Department of Health Care Policy and Financing response to the FY 2012-13 multi-department legislative request for information $5, page

2. Department of Human Services (DHS);
3. Department of Public Health and Environment (PHE);
4. Department of Local Affairs (DOLA); and
5. Department of Transportation (DOT).

HCPF is the lead for the CCT Program, because of the nexus with Medicaid funding, and is responsible for working with the other departments to accomplish goals that are tied to one or more CCT Program benchmarks. The following graph illustrates the working relationship between these departments, and Appendix F provides additional information about the specific responsibilities of divisions within HCPF and DHS.

HCPF and DHS
HCPF and DHS will work together to accomplish the following goals that are tied to the Program's benchmarks:

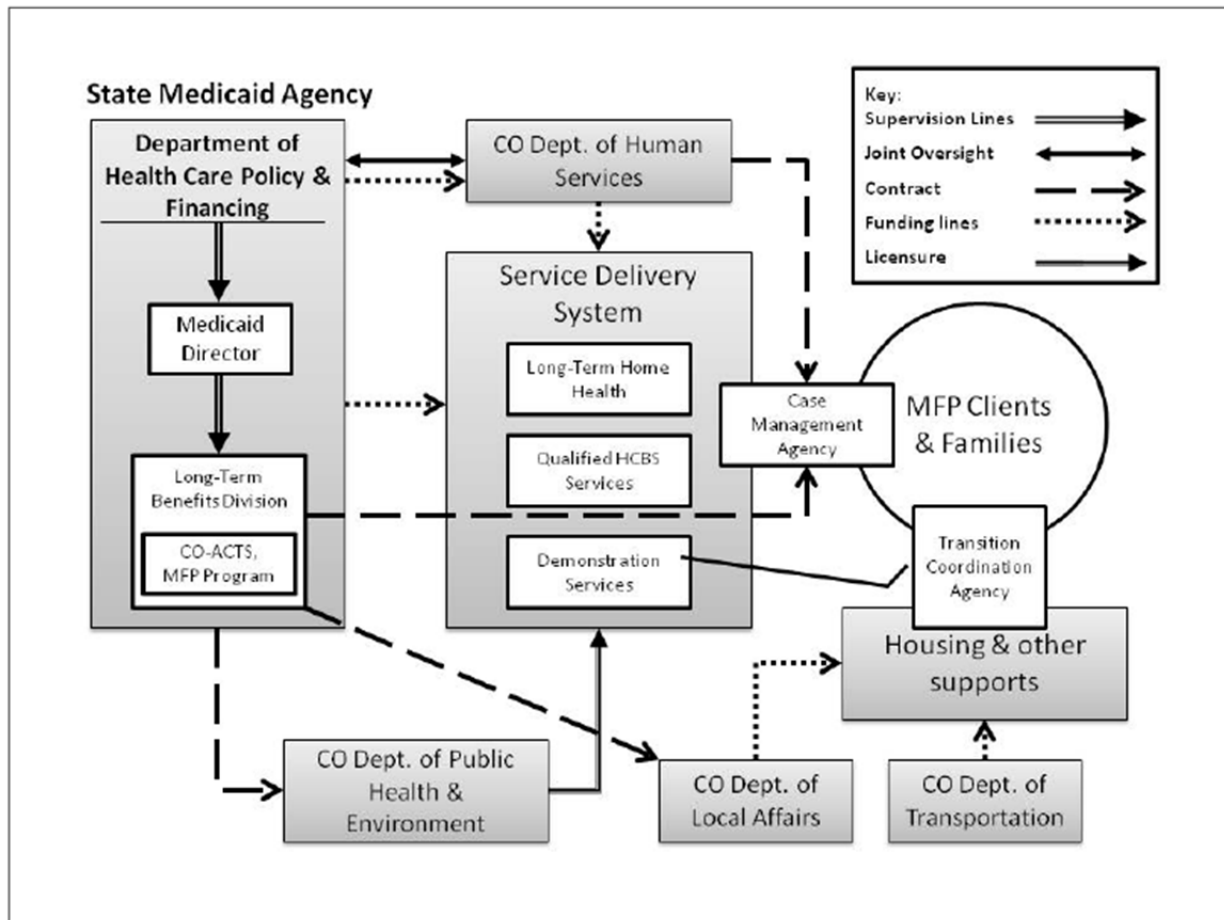
- developing systems and procedures to support the transitions of individuals from Intermediate Care Facilities and Mental Health Facilities to community living,
- realigning roles and responsibilities of access points to LTC and transition services; and
- improving housing opportunities for elderly and persons with disabilities.

HCPF and PHE
HCPF and PHE will work together to accomplish the following goals that are tied to the Program's benchmarks:

- improving the quality management activities related to long term care services and supports; and
- licensing new providers.

HCPF and DOLA
HCPF and DOLA will work together to increase the number and affordability of housing opportunities for people of all abilities, including those transitioning to community living under the CCT Program.

HCPF and DOT
HCPF and DOT will work together to increase the access to, and availability of, public transportation for people of all abilities; including those transitioning to community living under the CCT Program.



Eligible Individuals

The CCT Program grant application declared that Colorado will adopt the following least restrictive eligibility requirements:

- Eligible participants will have one paid day of Medicaid eligibility in an inpatient facility prior to transition; and
- Eligible participants will have resided in an inpatient facility for at least 90 days. If an individual is admitted to a facility to receive rehabilitative services, the days will not count towards the 90 day residency requirement.

The grant application identified the following populations that would be transitioned from an institutional facility to a community setting. Note individuals receiving services in the Mental Health Institutes are not eligible for the CCT Program, because they are not Medicaid eligible while in the Institutes.

- Elderly and disabled adults aged 18 or older residing in Medicaid NFs;
- Adults aged 18 and older with developmental disabilities residing in ICF/IIDs and NFs;
- Adults 65 years and older and individuals under 22 residing in institutions for mental disease (IMDs).

Referrals to the CCT Program can come from numerous sources, including residents, friends, family members, ombudsman, nursing facility social workers, and facility staff. The following sources will be used to identify which individuals are eligible and/or have expressed interest in participating in the CCT Program:

- the Minimum Data Set which is used to evaluate an individual's functional status and clinical needs to formulate the appropriate treatment plan;
- data from the Pre-Admission Screening and Resident Review, which is used to identify whether the individual has needs related to an intellectual disability or severe and persistent mental illness; and
- additional patient information.

Transition Support Services

An important component of the CCT Program is the set of transition support services available to individuals who are eligible for transition. The goal is to provide additional support services upfront that assist individuals with the adjustment to community living and reduce the number of individuals who return to a facility setting. Transition support services include:

Intensive case management and independent living skills training;
Enhanced nursing services and mental health counseling;
Home modification and assistive technology; and
Substance abuse counseling and extended dental and vision services.

CCT Program Benchmarks

Benchmark 1: Meet the projected number of eligible individuals transitioned in each target group from an inpatient facility to a qualified residence during each calendar year of the demonstration.

HCPF, in conjunction with DHS, identified a target number of individuals to transition from institution settings to community setting. Over the five year period of the Program, a total of 490 people will be transitioned. HCPF has indicated that if more than 490 individuals are identified, it is possible to request additional grant funds to transition these individuals. As shown in the following table[3], the majority of eligible individuals are in nursing facilities and either elderly or physically disabled.

[3] Information is from page 22 of the November 23, 2011, "Colorado's Money Follows the Person (MFP) Rebalancing Demonstration" grant application.

Summary of CCT Program Participants						
Description	**Elderly**	**Physically Disabled**	**Mentally Ill (MI)**	**Dual Diagnoses DD & MI**	**Developmental Disability (DD)**	**Total**
Facility Type	**NF**	**NF**	**NF**	**NF**	**ICF/IID**	
2012	34	42	5	1	8	**90**
2013	31	42	10	1	16	**100**
2014	31	42	10	1	16	**100**
2015	31	42	10	1	16	**100**
2016	31	42	10	1	16	**100**
5 Year Total	**158**	**210**	**45**	**5**	**72**	**490**
Percent of Total	32.2%	42.9%	9.2%	1.0%	14.7%	

Benchmark 2: Increase State Medicaid expenditures for HCBS during each calendar year of the demonstration program

Nursing Facility Transitions
The appropriation for CCT Program participants is housed in the Medical Services Premiums line item in HCPF and is calculated using a three-step process. First, HCPF estimates the cost of serving CCT participants in the community. Community costs include:

- Cost of new services provided through the CCT Program. These services are designed to ensure that the individual has adequate supports to successfully make the transition from institutional care to community care and include: a transition coordinator, intensive case management, and a onetime $2,500 allowance for things like security deposits, utility set up fees, bedding, and dishes.
- Existing waiver services; and
- Home health services provided to the individual through the state Medicaid plan.

Second, HCPF calculates the savings of not serving the individual in a nursing facility. Third HCPF calculates the amount of rebalancing dollars that will be generated (see discussion below on the rebalancing fund). Since the cost of community services is less than services in a nursing facility there is a savings to the state of transitioning individuals out of NF and into the community. The following table is drawn from data provided in the HCPF FY 2013-14 executive budget request, shows the estimated community costs and institutional savings for FY 2012-13 through FY 2014-15. Note, for the first year of the transition the match rate is 3-to-1, so the state is responsible for 25.0 percent of the cost of services for the first year.

CCT Program Cost of Nursing Facility Transitions	General Fund	Federal Funds	Total Funds
FY 2012-13			
Community Services	$254,463	$254,463	$508,926
Institutional Savings	($258,557)	($258,557)	($517,114)
Total State Costs	**($4,094)**	**($4,094)**	**($8,188)**
FY 2013-14			
Community Services	$1,662,147	$1,662,147	$3,324,294
Institutional Savings	($1,963,663)	($1,963,664)	($3,927,327)
Total State Costs	**($301,516)**	**($301,517)**	**($603,033)**
FY 2014-15			
Community Services	$2,651,977	$2,651,980	$5,303,957
Institutional Savings	($4,319,514)	($4,319,514)	($8,639,028)
Total State Costs	**($1,667,537)**	**($1,667,534)**	**($3,335,071)**
3 Year Totals			
Community Services	$4,568,587	$4,568,590	$9,137,177
Institutional Savings	($6,541,734)	($6,541,735)	($13,083,469)
Total State Costs	**($1,973,147)**	**($1,973,145)**	**($3,946,292)**

Regional Center Transitions

As of this briefing there has been no request for FY 2012-13 or FY 2013-14 by DHS or HCPF for funds to transition individuals with developmental disabilities out of the Regional Centers. In order to transition individuals out of one of the Regional Centers, the Departments must ensure there is a full bed placement[4] available through the home and community based adult comprehensive waiver for individuals with developmental disabilities (HCBS-DD). Since there is an existing waiting list for the HCBS-DD waiver, funding needs to be requested to add a full bed placement to the waiver. With these transitions there is no associated savings at the Regional Centers because there is a waiting list for Regional Center services; any full bed placement vacated by a transition will be filled by an individual on the waiting list. The Departments have indicated that a request will be forth coming for HCBS-DD full bed placement so that emergency full bed placements are not being used for CCT Program transitions. The following table shows the JBC staff estimated cost of new full bed placement for individuals transitioning out of Regional Centers. Since the Department's hearing is after staff should receive a supplemental regarding this issue, **staff would recommend, if no supplemental is submitted, the Department of Human Services explain why no funding has been requested for these individuals and what measures the Department is pursing to ensure emergency full bed placements are not being used for CCT Program participants.**

[4] A full bed placement (FBP) is equal to one year of services provided through the HCBS-DD waiver.

JBC Staff Estimated Cost to Transition Individuals from Regional Centers						
		Number of Individuals a	Average Cost per bed* b	Number of Months c	Total FY Cost a*(b*c/12)	Net GF
FY 2012-13	**Transtion 8 individuals**	**8**	**$79,037**	**3**	**$158,074**	**$79,037**
FY 2013-14 Transitions						
	Annualize 8 transitions from FY 2012-13	8	79,037	12	632,296	316,148
	Transition 16 individuals	16	79,037	12	1,264,592	632,296
Total FY 2013-14 HCBS-DD Cost					**$1,896,888**	**$948,444**

*Average cost per bed is the average cost used to fund new full bed placements added in FY 2012-13.

Rebalancing Fund

One component of the CCT Program is a 25.0 percent enhanced federal match on transition services, called rebalancing dollars. These dollars are deposited into the rebalancing fund which HCPF views as a federal grant that is not subject to appropriation by the General Assembly. Rebalancing funds may only be used for improving the long-term care system infrastructure, training of case managers, and computer system upgrades. In the application, the Department specifically stated the intent to use rebalancing funds to conduct research and make recommendations for waiver consolidation and an appropriate array of services. Over the course of the five years, HCPF estimates the Fund will receive $4.25 million in total revenue. The following table shows the projected balance of the rebalancing fund through FY 2014-15. **Staff recommends HCPF discuss how they will communicate with the General Assembly how rebalancing fund dollars are being used at their hearing.**

CCT Program Rebalancing Fund		
Fiscal Year	CCT Program Year	Fund Balance
FY 2012-13	1	$127,232
FY 2013-14	2	$831,074
FY 2014-15	3	$1,325,989
3 Year Total		**$2,284,295**

Benchmark 3: Expand the array of supports and services available to consumers in community living situations.

The ultimate goal of this benchmark is to consolidate the eleven unique waivers to enable more individuals the ability to access the services they need. Currently each of the eleven waivers offer specific services to specific populations. Individuals applying for these waiver programs must meet the target population criteria and functional level of care to gain access to the services. In many cases, clients on a particular waiver would benefit from services on another waiver but cannot access these services because their diagnosis or disability does not align with the target population for the other waivers. The Department's hope is that waiver consolidation will reduce waiting lists by and enable the state to meet the increased demand that will result from

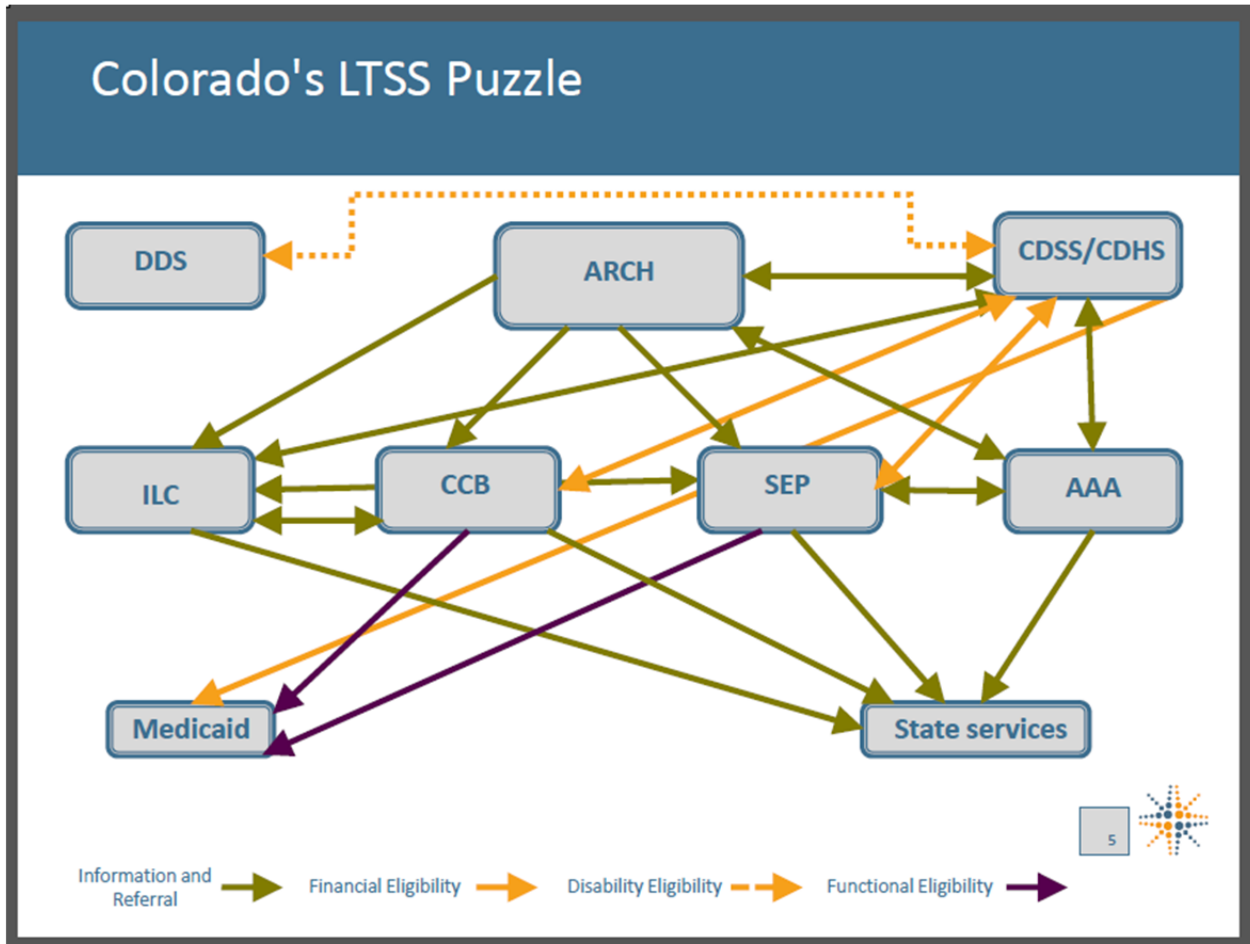
population changes, because waiver specific benefit packages will be merged into a single expanded benefit package offering more service options in a consolidated waiver.[5] HCPF provided the following example. Independent living skills training is a service currently offered in the waiver for individuals with a brain injury (HCBS-BI), however many physically disabled clients that are currently enrolled in the waiver for the elderly, blind and disabled waiver (HCBS-EBD) would benefit from this service. HCBS-EBD clients are not able to access this service because they do not fit the target population criteria for the HCBS-BI waiver. By consolidating the menu of services between the HCBS-BI and the HCBS-EBD waivers, life skills training will be made available to the many clients on the EBD waiver who stand to benefit. The Department established a waiver modernization sub-committee of the Long-Term Care Advisory Committee in August 2012, which is working on developing recommendations for waiver consolidation but not in time for the 2013 Session.

Benchmark 4: Increase in the availability of self-directed services.
Currently the HCBD-EDB and waiver for individuals with mental illness (HCBS-MI) utilize Colorado's Consumer Directed Attendant Support Services (CDASS) which allow clients to manage their attendant services. CDASS provides flexibility in daily routines, giving an individual the opportunity to take greater control of their life. Currently 1,672 individuals are enrolled in CDASS. HCPF, working with Participant Directed Program Policy Collaborative, an advisory group of CDASS stakeholders, has taken a number of steps to address the significant over expenditures of the CDASS program including:

- Promulgation of rules explicitly stating the available consumer directed services;
- Establishment of an attendant wage cap; and
- Implementation of a budget allocation management protocol.

Benchmark 5: Realign the roles and responsibilities of the several entry point and case management agencies to streamline access to LTC services and supports.
There are multiple entry points to Colorado's long-term services system including Single Entry Points (SEPs), Community Center Boards (CCBs), Area Agencies on Aging (AAA), Independent Living Centers, (ILC), and Area Resources for Community and Human Services (ARCHs). Each entry point serves one or more long-term care clients and receives one or more funding streams. Individuals who are trying to access Colorado's long-term care system may feel as though they are in a library trying to find a book without knowing the title or the author. How is an individual or their family to know the difference between a CCB and SEP, or an ARCH and an AAA? The following graphic, provided by the Colorado Health Institute provides a great illustration of how entering Colorado's long-term care system is nothing short of a maze with no clear starting point.

[5] CCT Operational Protocol, Colorado.



This benchmark is intended to streamline the entry process by having all agencies shown in the graphic above utilize the Aging and Disabilities Resource Center (ADRC) model. The ADRC model is a flexible model that focuses on coordinating and organizing entry point functions at a state or local level. It is important to note that the model does not include case management functions. Rather, it incorporates all of the activities that are done to inform potential clients about their long-term care options and assist them with accessing those benefits. HCPF indicated this does not mean that existing agencies will be displaced or replaced, but may require changes to the business operations for these agencies to improve coordination.

Benchmark 6: Increase access to housing opportunities for individuals of all abilities including those transitioning to community living under the CCT program and to other HCBS clients seeking community residential housing.

HCPF, working with DOLAs Division of Housing will work to expand the inventory of qualified residences for people with disabilities and older adults. Currently the lack of affordable and accessible housing to individuals who wish to transition from a facility is a major barrier to returning to the community. Increasing the inventory of housing units available for all

individuals in the long-term care system will increase the opportunity for these individuals to receive services in a community setting and increase enrollment into HCBS programs.[6]

RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S STRATEGIC PLAN:

This briefing address the Department of Health Care Policy and Financing fifth objective, which is to improve the long-term care service delivery system; and the Department of Human Services third performance goal which is to assist the elderly and people with developmental disabilities to reach their maximum potential through increased independence, productively and integration with in the community.

[6] November 23, 2011 CCT Operation Protocol, Colorado.

Issue: Waiver Expenditures and Organizational Structure

The growth in expenditures for the three waivers for individuals with developmental disabilities from FY 2006-07 to FY 2010-11 is the result of four factors: the number of clients served, the level of need of clients being served, the amount of services used, and provider rates. The expenditure growth is three times greater than the growth in the number of individuals served.

SUMMARY:

- There are three Medicaid waivers for individuals for developmental disabilities: adult comprehensive waiver, the adult supported living waiver; and the children's extensive support waiver.

- The Department of Health Care Policy and Financing put forth a report analyzing the expenditures for the waivers for individuals with developmental disabilities, and found the expenditure increases were driven by four factors.

- Due to the limit number of available resources and the current Long Bill appropriation structure, individuals waiting for supported living services are accepting the higher cost comprehensive full bed placements if they become available prior to the support living full bed placements.

RECOMMENDATION:

Staff recommends the Adult Comprehensive Services line item and Adult Supported Living Services line items be combined starting in FY 2013-14 so the Department has the ability to manage full bed placements in a manner that provides services to the largest number of individuals while maintaining the General Assembly's right to appropriate funds.

DISCUSSION:

Home and Community Based Services (HCBS) are coordinated by nonprofit Community Centered Boards (CCBs). CCBs have been designated as the point of entry for individuals entering the developmental disabilities (DD) system. As the point of entry, CCBs are responsible for determining an individual's eligibility for services, providing case management, and coordinating services in their specific region. There are 20 CCBs, each with a distinct geographic service area.

Who Provides Community Based Services

Services are provided either through the CCB or private service providers. Service providers have negotiated rates with the CCB, and can bill either the CCB or the Department of Health Care Policy and Financing directly for service reimbursement. Currently there are 143 private providers.

Types of Individuals Who Receive CHBS

There are three groups of people who receive HCBS services:

1. Youth served through the Child Extensive Services waiver fall into two categories:
   a. Youth, under the age of 18 years old, who reside in a family homes; and
   b. Youth, under the age of 21 years old, in the child foster care system.
2. Adults who do not require institutional care, and reside in a family member's home or independent home, but require support services are served through the Supported Living Services waiver.
3. Adults who require residential care and support services are served through the Comprehensive Services Waiver.

Types of services

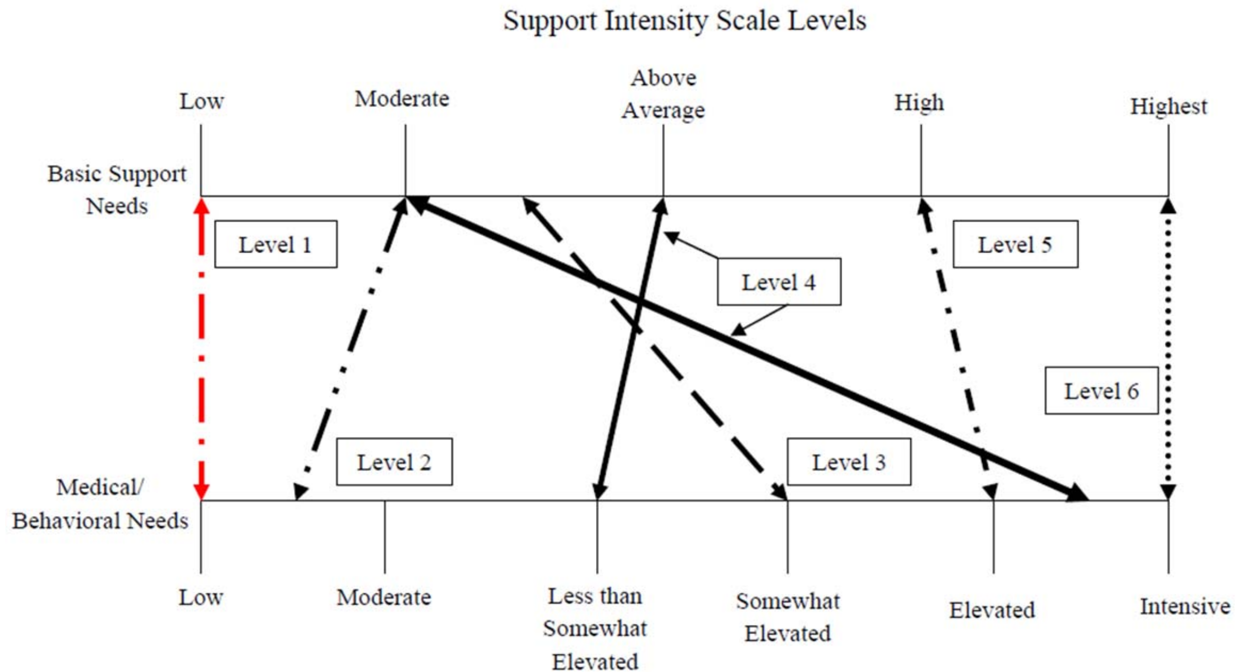
The following table shows the array of services available under the various waivers.

Waiver Services		
Children's Extensive Support	**Supported Living Services**	**Adult Comprehensive Services**
Respite care	Respite care	Residential services
Behavioral services	Behavioral services	Behavioral services
Environmental modifications	Environmental modifications	Supported employment services
Vision services	Vision services	Day habilitation
Assistive technology services	Day habilitation services	
Specialized medical equipment		

The funding for these waivers utilizes a fee-for-service model, where each individual has a specific amount of funds for services, and working with a case manager, determines the number of services units they can access. The model works as follows:

Step 1 - Determine the Supports Intensity Scale Score

Eligible individuals are evaluated using the Supports Intensity Scale (SIS). SIS uses a structured interview process to identify and measure the individual's practical support requirements (basic needs, behavioral and medical). The SIS score ranges from a low of one to a high of six and takes into account if the person is a public safety risk. The following graphics illustrates how an individual is scored using the SIS.



Step 2 - Determine the Service Plan Authorization Limit

Each SIS score is tied to one of the Service Plan Authorization Limits (SPALs). Each SPAL identifies the maximum dollar amount available to a person with the corresponding SIS score for all ongoing services. The SPAL ensures that higher needs individuals are able to access higher funding amounts as compared to lower needs individuals. Ongoing services include all services except intermittent services like: transportation, dental services, vision services, assistive technology, and environmental modifications. The following table shows what the SPALs for the support living services waiver.

SIS Scores and the Corresponding SPAL Amount		
SIS Score	**SPAL Level**	**Maximum SPAL**
SIS Level 1	Authorization Limit 1	$12,193
SIS Level 2	Authorization Limit 2	$13,367
SIS Level 3	Authorization Limit 3	$15,038
SIS Level 4	Authorization Limit 4	$17,296
SIS Level 5	Authorization Limit 5	$20,818
SIS Level 6	Authorization Limit 6	$27,366

Step3 - Determine the Individual's Maximum Allowable Amount of Support Service Units

Each support service (residential services, day services, behavioral services, etc.) are broken down into units. For most services one unit of service is equal to fifteen minutes. For residential services, one unit is one day. Two other services, job placement and non-medical transportation

are billed on dollar amount and mileage respectively. The maximum number of units allowed for each support service is dependent of the SIS score.

The transition to the fee-for-service model has caused expenditures for these waivers to significantly increase each year, despite minimal changes in the client population, which raises the question of why is it now more expenses to provide services to the same population. In an attempt to determine what was driving the expenditures, the Department of Health Care Policy and Financing put forth a report examining the factors driving the expenditures for HCBS waivers for individuals with developmental disabilities.

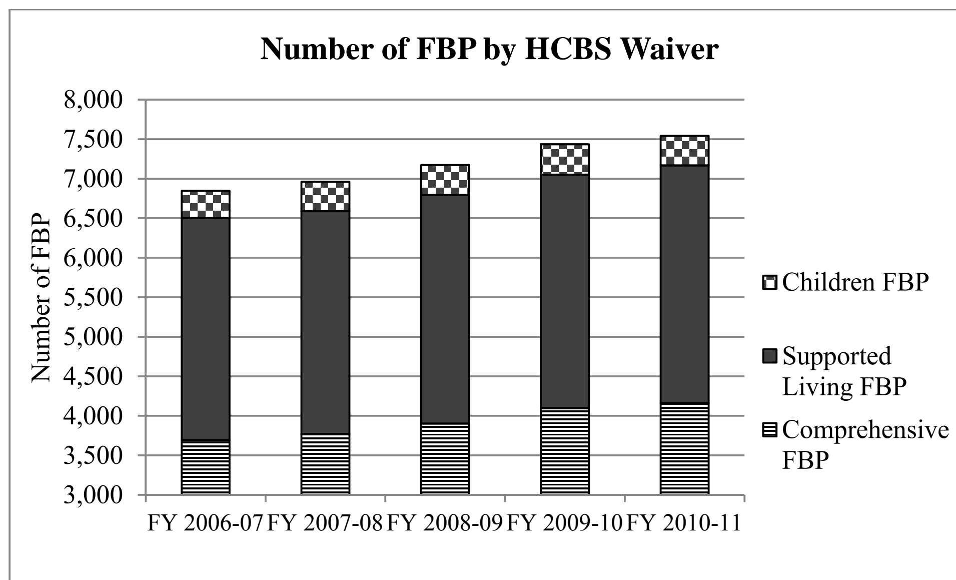
<u>March 9, 2012 Developmental Disabilities Waiver Expenditure Report</u>

The report found that expenditures for the three HCBS waivers increased by 30.7% since FY 2006-07 while the number of FTE clients served has only increased 10.15% The report tied the expenditure growth to four factors:

1. Number of Clients Served;
2. Average Support Level;
3. Reimbursement Rates; and
4. Service Consumption

<u>Factor 1 - Number of Clients Served:</u>

A full bed placement (FBP) represents one full year of services. From FY 2006-07 to FY 2010-11 the number of FBPs has grown, primarily due to increased funding provided by the General Assembly. As more FBP are funded, more individuals are served as shown in the table below.

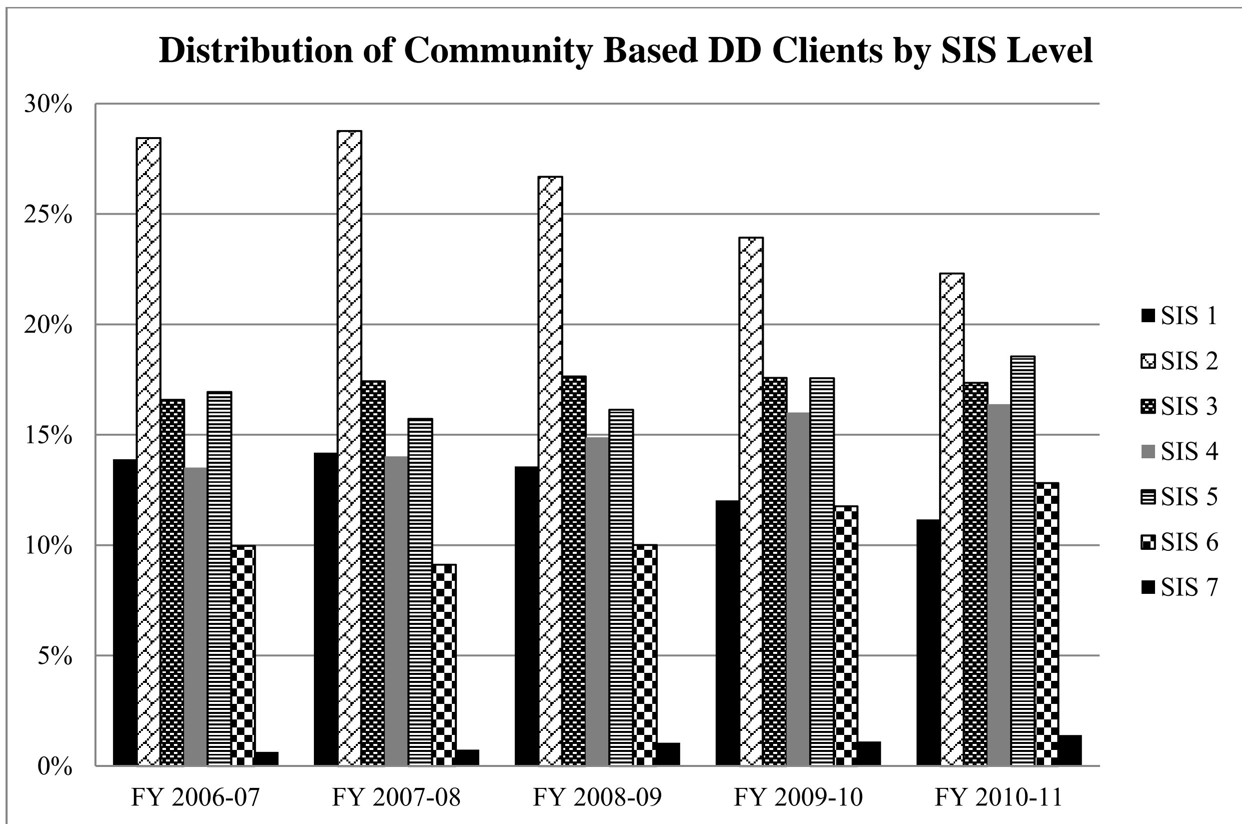


<u>Factor 2 – Average Support Level</u>

The SIS tool was first used in 2006, but went through modifications as it was beta tested on a representative same of clients, and finalized in 2009. The final SIS tool included a weighted algorithm, and for comprehensive clients, two additional factors: Danger to Self, and Community Safety Risk. The implementation of the algorithm increased the average SIS score from 3.2 in

FY 2007-08 to 3.5 in FY 2010-11. While a seemingly small shift, the compounding effect on the waiver system has been more clients consuming higher amounts of services.

These two additional factors significantly impacted Support Level assignments for comprehensive clients. An affirmative response to Community Safety Risk automatically places an individual into a minimum Support Level 5 or 6 regardless of all other factors. An affirmative response to Danger to Self automatically moves an individual up by one to two Support Levels regardless of all other factors. As shown in the following graph, the distribution of SIS scores for comprehensive clients has shifted from approximately 60.0 percent of individuals being a one, two or three in FY 2006-07, to approximately 50.0 percent in FY 2010-11.



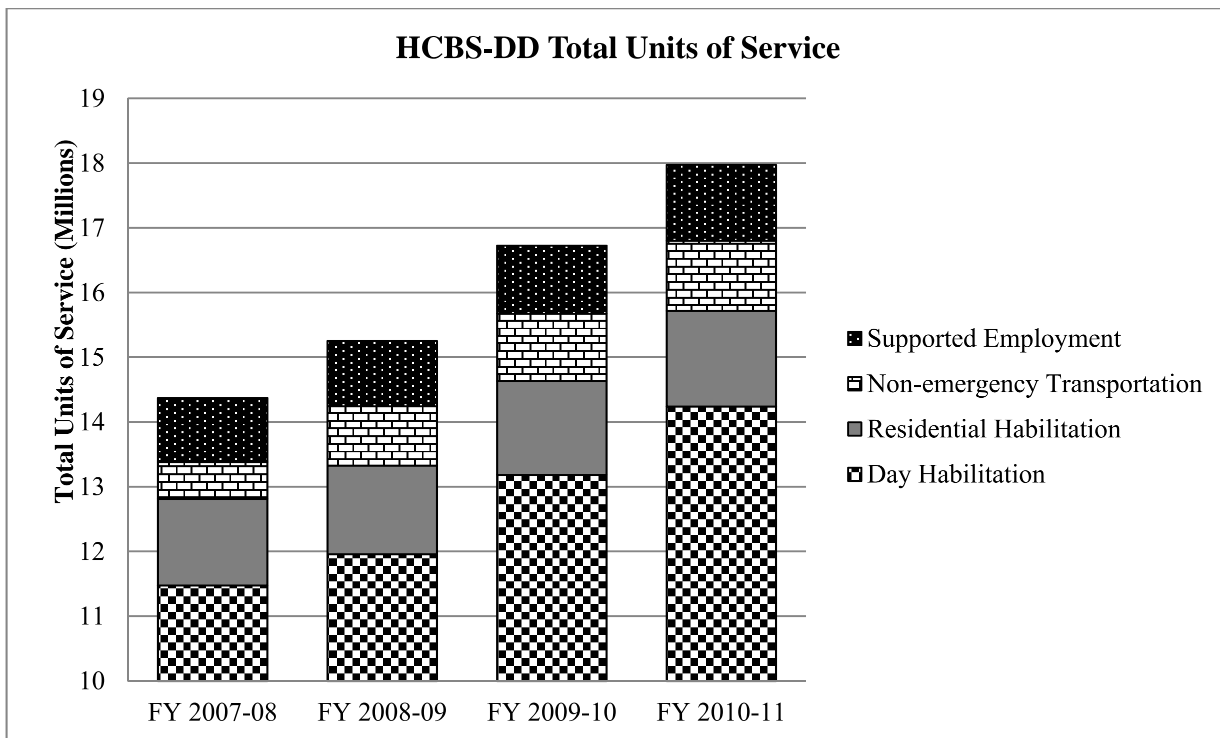
Factor 3 - Reimbursement Rates

Reimbursement rates are not based on actual costs incurred by the provider, but based on the amount the State has agreed to pay, and the provider has agreed to accept as payment in full for the services delivered. The Department does not have the data as to how much of the actual cost of the service is covered by the reimbursement rate. The following table shows how provider rates have increased or decreased since FY 2006-07.

Community Provider Rate Changes								
	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14*
Statewide Rate Change	3.25%	1.5%	1.5%	0.0%	(2.0%)	0.0%	0.0%	1.5%
DD specific Rate Change	0.0%	0.0%	0.0%	(2.5%)	0.0%	0.0%	0.0%	0.0%

Factor 4 - Service Consumption

The single largest service utilized by comprehensive clients is residental services. Residental services is also the most expensive service to provide. Specifically for individuals receiving services through the comprehensive waiver, which accounts for approximately 80.0 percent of expenditures for all the waivers, consumption as grown by 35.9 percent, while the number of clients consuming services as grown by 10.37 percent. The following graph illustrates the growth in service consumption.



One of the issues raised by CCBs that staff visited with this summer was the inability to convert a comprehensive FBP to one or more support living FBP. This is an issue because if an individual is in need of support services, like day program services, but has an established home, and the only available FBP is a comprehensive FBP, it is likely the individual will take that FBP because of the scarcity of FBPs. This could be part of the driving factor behind the significant increase in comprehensive service consumption discussed above. In order to provide clients, CCBs and the Department the ability to manage the resources in a manner that provides services to as many individuals as possible while maintaining the General Assembly's right to appropriate

funds, **staff recommends the Adult Comprehensive Services line item and Adult Supported Living Services line items be combined starting in FY 2013-14.**

RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S STRATEGIC PLAN:

This briefing issue addresses issues integral to the departments' third performance goal which is to assist the elderly and people with developmental disabilities to reach their maximum potential through increased independence, productively and integration with in the community.

Issue: Transitioning Older Youth from Child Welfare Services to the Comprehensive Developmental Disabilities Medicaid Waiver

An estimated 164 youth age 18 to 20 with developmental disabilities are in the custody of county departments of social services. Placements for these youth are funded through the Child Welfare Services line item, which supports capped allocations to counties for services to abused and neglected children. At age 21, youth with developmental disabilities transition from child welfare placements to Medicaid developmental disability comprehensive waiver placements. A recent Department Task Group report recommends that youth transition at age 18 instead of age 21.

SUMMARY:

- Children and young adults under age 21 with developmental disabilities who are not in the custody of their families are provided services by county departments of social services, using funding provided through the Child Welfare Services section of the budget, rather than the Developmental Disabilities section. Currently, young adults transition from the child welfare system to adult developmental disability comprehensive waiver services when they turn 21.

- The Policy and Finance Task Group of the Developmental Disability and Child Welfare Subcommittee concluded that 18-20 year old youth with developmental disabilities, who are already adults by age, should be phased out of the child welfare system over a three year period to be served in the adult developmental disability system.

- This change is projected to provide budget savings, which would primarily accrue to counties. It is also expected to benefit youth with developmental disabilities.

RECOMMENDATION:

Staff recommends the Committee at figure setting approve funding adjustments to transition a portion of the youth with developmental disabilities ages 18 to 20 who are currently in the custody of county departments of social services onto the adult comprehensive waiver for FY 2013-14. Staff also recommends the Department discuss at the hearing whether or not the Department agrees with staff recommendation and why, and any issues that would need to be addressed prior to the transition of the youth.

DISCUSSION:

The majority of state-funded services for people with developmental disabilities are funded through the Developmental Disabilities section of the budget. However, services for children and young adults with developmental disabilities who are not in the custody of their families are funded through the Child Welfare Services line item. Services for such youth are provided by

county departments of social services, which hold legal custody of the youth. Currently, young adults transition from the child welfare system to adult developmental disability comprehensive waiver services when they turn 21.

Funding and Services for Youth with Developmental Disabilities in the Child Welfare System. The $334.3 million Child Welfare Services line item in the Division of Child Welfare supports capped allocations to counties for child welfare services to abused and neglected children and youth. This appropriation includes, among other components, funding out-of-home placements for youth who are in the custody of county departments of social services.

A Department task force has estimated that of the 10,503 child welfare out-of-home placements in FY 2011-12, 668 are youth with developmental disabilities. This is an estimate, because Department child welfare data systems do not accurately track this information. Youth with developmental disabilities may receive services through the child welfare system until they turn 21. However, such youth require lifelong services and supports that do not end when the youth "ages out" of child welfare services.

Children and youth with developmental disabilities who are served in the child welfare system are funded through one of two options, both of which are incorporated in the Child Welfare Services line item and allocated to counties:

- Medicaid funds for the Children's Habilitation Residential Medicaid waiver program (CHRP), which are comprised of 50 percent federal funds and 50 percent General Fund; or
- "Regular" child welfare services funding, which support out-of-home placement services and in-home supports for any child who is abused or neglected. This "regular" funding is comprised of a mixture of state General Fund, approximately 20 percent county funds, and various federal fund sources (primarily federal Title IV-E funds).

The CHRP Medicaid Waiver. The Children's Habilitation Residential Medicaid Waiver Program (CHRP) is designed to provide residential services to children and youth in foster care who have a developmental disability and extraordinary needs. This Medicaid waiver, like others managed by the Division for Developmental Disabilities (*e.g.*, the Comprehensive Residential waiver program for adults), is for individuals requiring high levels of care in order to remain in the community. Funding for this waiver originates as 50 percent federal funds and 50 percent General Fund.

There are currently 99 youth in county custody who are enrolled in CHRP waiver services. Based on FY 2011-12 expenditure data, these youth were served at a cost of $4,389,133 or an average of $44,335 per youth per year. Over $6.0 million Medicaid reappropriated funds is included in the Child Welfare Services appropriation for the CHRP program; however actual FY 2011-12 expenditures were $1.7 million less.[7]

[7] Although child welfare appropriations reflect the estimated use of Medicaid funds, pursuant to the provisions of Section 24-75-106, C.R.S., the unused General Fund portion of any Medicaid child welfare appropriation is transferred back to the Department of Human Services and is available for county non-Medicaid child welfare

The amount set aside for CHRP and the number of CHRP slots has been progressively reduced due to under-utilization. In FY 2001-02, at the CHRP waiver's peak, 280 slots were filled, compared to the current 99. In the past, the Department, county, and providers have attributed the low-utilization of CHRP placements to lack of providers; caseworkers too busy to deal with additional paperwork and not sufficiently informed; and CHRP rules that limit foster homes to no more than two CHRP placements at a time, creating a disincentive for counties that wish to place more children in a home.

Other Child Welfare Services for Children with Developmental Disabilities. While some children with developmental disabilities in the child welfare services system receive Medicaid waiver services, most do not. As noted above, the Department estimates that there are 668 youth with developmental disabilities in the child welfare system but only 99 of these receive CHRP services, indicating that the remaining 569 youth are foster-homes or institutional out-of-home placements that are not specifically designated for youth with developmental disabilities. These other children are supported with the "regular" mix of child welfare services funding, which includes General Fund, federal Title IV-E funds and a 20 percent county share for most expenditure categories. The average annual cost for an out-of-home placement in FY 2011-12 is $26,433, but the cost for serving youth with developmental disabilities is typically far higher, depending upon the complexity of their needs.

Current Transition to the Adult Developmental Disability System from Child Welfare. The General Assembly typically sets aside significant funding each year for the developmental disability system to transition youth at age 21 from the child welfare system into adult comprehensive developmental disability waiver slots. Funding these slots has historically been a priority, because these youth do not have a custodial parent to provide services.

Cost of Youth Aging Out of Foster Care to the Adult Comprehensive Waiver				
	FBP	Full Year Cost		Average Annual FBP Cost
		Total Funds	Net GF	
FY 2008-09	45	$4,096,530	$1,872,372	$91,034
FY 2009-10	37	3,331,556	1,530,598	90,042
FY 2010-11	0	0	0	0
FY 2011-12	66	361,888	180,944	5,483
FY 2012-13	46	3,635,703	1,817,852	79,037
Five Year Total	**194**	**$11,425,677**	**$5,401,766**	**$265,596**
Five Year Average (does not include FY 2010-11)	38.8	2,856,419	1,350,442	66,399
FY 2013-14 Request	**50**	**$3,148,600**	**$1,574,300**	**$62,972**

expenditures. Thus, the size of the Medicaid funds appropriation in the child welfare line item neither constrains nor requires Medicaid spending by counties at the level shown.

Problems Related to Services for Youth with Developmental Disabilities in the Child Welfare System. For many years, providers and advocates have noted that the service system for youth with developmental disabilities has weaknesses—particularly insofar as services are provided through the child welfare system. A Developmental Disability/Child Welfare Subcommittee of the Department's Policy Advisory Council, convened in 2009, recommended that services be reconfigured. The Subcommittee report dated February 5, 2010 included the following summary of the problem:

> Access to needed services for children with developmental disabilities and their families is complicated, not user friendly, and often unavailable due to a variety of factors. Some of the barriers include, but are not limited to:
>
> - Fragmentation across programs and systems that force families to go to multiple places in order to gather all the necessary information to understand what services and supports may or may not be available to them;
> - A lack of available providers who will work with children with developmental disabilities, or who have sufficient expertise to work with children with especially difficult to manage behaviors that results in too many children having to be served out of state or in inappropriate placements;
> - Child Welfare licensing requirements that create a disincentive for developmental disabilities providers to contract with counties;
> - Some existing policies make families feel cornered into having to threaten to harm their child or give up parental rights in order to have access to needed services and supports;
> - A lack of funding creates a waiting list for some needed services while other programs sometimes have unused funds;
> - Unintended incentives for a family to seek placement of a child into foster care at age 16-17 in order to be "guaranteed" services when their child ages out of foster care at 21;
> - A lack of incentives for a family to have their child return to the family home;
> - The lack of appropriate and timely response to family needs often results in use of more expensive services, such as emergency services and hospitals (i.e., the need does not go away, it just gets redirected); and,
> - The current structure of the Children's Habilitation Residential Program (CHRP) and available providers do not appear to be meeting the needs of the County DSS or their communities.

This policy workgroup recommended, among other changes, that the Department should investigate making administrative changes at the state level so that children with developmental disabilities are referred to and primarily served through the developmental disabilities system, rather than the child welfare system.

There are a variety of obstacles to implementing this transition for all youth. However, it appears relatively straight-forward to implement this change for older youth, ages 18 to 20. As outlined in the October 26, 2012, Interim Report from the Policy and Finance Task Group that was subsequently convened on this topic:

> The rationale for focusing on this population is that the 18-20 year olds are already adults by age, although they are adults receiving services in child welfare largely because they are awaiting services from the adult DD system, and because the Division of Developmental Disabilities already serves 18-20 year olds who come into the system through pathways other than the child welfare system. Fewer policy changes are needed to serve these young people in the DD system, and counties and our family representatives seemed to overwhelmingly be in agreement that these youth have service needs beyond the expertise of the average child welfare caseworker, such that it is more appropriate for the DD system to serve them.

The Task Group recommends that 18-20 year old youth with developmental disabilities, who are already adults by age, should be phased out of the child welfare system over a three year period to be served in the adult DD system. The phase out is recommended due to the need to "ramp up" the adult DD system, Community Centered Boards and service providers for the increased number of new clients from child welfare. The report provides further analysis of this option and its implications for the child welfare and developmental disabilities budgets. The report emphasizes that, while the analysis indicates budget savings, the primary rationale for this change is to provide better services to youth and families.

Cost Implications: Transitioning Youth Age 18-20 from the Child Welfare System to Adult Developmental Disability Waiver Placements. To estimate the fiscal impact of shifting youth from child welfare into the developmental disability system at age 18, the Developmental Disability Policy and Fiscal Task Force group conducted a point in time study on November 1, 2011.

The survey identified 118 youth age 18 to 20 with developmental disabilities in 13 counties who were in county custody. It further found that 35 of these youth were receiving Medicaid waiver CHRP services, while the remaining youth were in regular child welfare foster care or institutional out-of-home placements. The Department used the data from this sample to develop estimates on the costs and savings that could be generated by transitioning these youth from the child welfare to the developmental disabilities system. **Based on this sample, the Department has extrapolated that there are 164 youth aged 18-20 in the child welfare system with developmental disabilities that could be transitioned to adult comprehensive waiver services.** Based on the sample, the Department further estimates an average cost per client of $70,313 per year, with 30 percent of youth transitioning from CHRP waiver services, while the balance transition from non-CHRP placements.

The following table outlines the estimated increase in adult developmental disability waiver costs and reduction in child welfare services costs for transitioning these youth age 18-20 from one system to the other. As shown in the table, the Department estimates net savings to the state and

counties from transitioning youth to the adult developmental disability system earlier than in the past. The bulk of these savings would accrue to counties, based on the analysis.

Fund Type	CW Funding		DDD Funding		Funding Change
Federal	$ 4,455,474	39%	$ 5,412,000	50%	$ 956,526
State	$ 5,460,142	47%	$ 5,412,000	50%	$ (48,142)
County	$ 1,615,708	14%	$ 0	0%	$ (1,615,708)
Total	$ 11,531,324	100%	$ 10,824,000	100%	$ (707,324)

Staff recommends the Committee at figure setting incorporate adjustments to transition youth age 18-20 into the adult comprehensive waiver for FY 2013-14. This recommendation incorporates a phased-transition over three years, as recommended by the Department's Task Group. Staff also recommends the Department discuss at the hearing whether or not the Department agrees with staff recommendation and why, and any transition issues that would need to be addressed prior to the transition of the youth.

RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S STRATEGIC PLAN:

This briefing issue addresses issues integral to the departments' third performance goal which is to assist the elderly and people with developmental disabilities to reach their maximum potential through increased independence, productively and integration with in the community.

Issue: Early Intervention Services

The number of eligible infants and toddlers seeking early intervention services has steadily increased over the past four years. Colorado is required as part of the agreement with the federal government to provide services to all eligible infants and toddlers. Both state and federal funding for early intervention services has not match the growth in caseload resulting in the Department seeking additional General Fund dollars for FY 2013-14.

SUMMARY:

- Early intervention services are provided to infants and toddlers up to age two who have a developmental delay or disability. Colorado is required as part of the agreement with the federal government to provide services to all eligible infants and toddlers.
-
- The Early Intervention Services Trust Fund was established in 2009 to encourage insurance companies regulated by the Colorado Division of Insurance to pay for the costs of early intervention services provided to covered infant and toddlers. Participation from insurance companies has dropped in recent years resulting in less revenue than initially anticipated.
- The Department contracted a study to examine the feasibility of a family cost participation fee for early intervention services. The Department indicated they are strongly considering implementing a family cost participation fee.

RECOMMENDATION:

Staff recommends the Department discuss the feasibility and impact on funding for early intervention services funding should the Early Intervention Services Trust Fund repayment requirement be repealed. Staff also recommends the Department provide a status update regarding the implementation of the Family Cost Participation fee including: the process the Department will utilize to ensure appropriate input is received from clients, providers, and families, and an estimated revenue projection based on the most recent caseload data.

DISCUSSION:

Early intervention services (EI services) are services provided to infant and toddlers (birth to age two), who have a developmental delay or disability. The goal of these services is to provide children who have a developmental delay, or disability, to be able to develop skills in the following areas: cognition, communication, physical development, motor development, and emotional development. These skills will enable children to become closer to other children of their age.

EI services are provided in community-based settings by Community Center Boards (CCBs) who are contracted by the Department. CCBs are responsible for intake, eligibility determination, service plan development, arrangement and delivery of services, and period evaluation of the child.

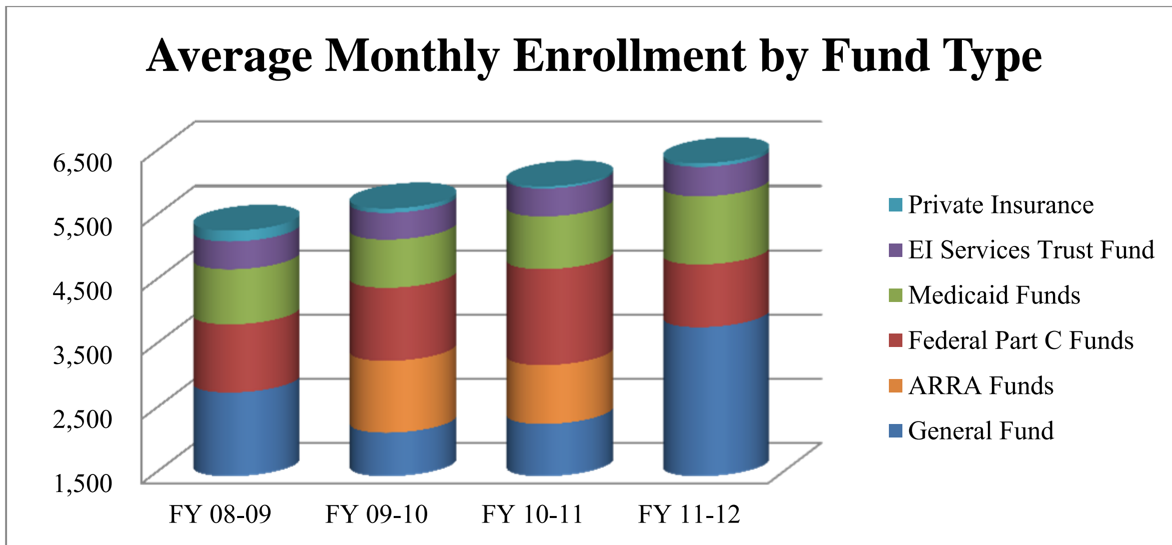
EI Services were first established in Part C of the federal Individuals with Disabilities Education Act (IDEA), which was initially enacted in 1986 and renewed in 2004. The goal of IDEA was to provide funding to states to:

- Develop services for infants and toddlers with developmental disabilities/delays;
- Provide ways for states to limit the long-term special education costs for children with developmental disabilities/delays who did not receive early intervention services;
- Create programs to assist children with development disabilities/delays with the development of skills need to eventually live independently and minimize the child's chances of institutionalization; and
- Provide families with increased support services to enable families to care for their child (children) with a developmental disability/delay.

Participation in Part C is voluntary, and yet every state has opted to participate. One of the primary requirements of participation is the assurance that early intervention services will be available to every eligible infant and toddler up to age two. Eligibility is based on the state's definition of developmental disability/delay. In 2009, during the economic downturn, the state was still required to provide services to all eligible infants and toddlers, but experienced challenges due to reduced General Fund revenue. As a result, the General Assembly passed H.B. 09-1237 which required EI services providers to utilize a coordinated system of payment. The intent of H.B. 09-1237 (Primavera/Shaffer B.) was to identify sources other than state and federal funds that can be utilized for the services, before state General Fund and federal Part C funds are accessed. The following table shows, in order of priority, the funding hierarchy for E.I. services. The amount of federal Part C of IDEA funds Colorado receives are based on the population of children ages birth to two years in the general population.

Payment Hierarchy For Early Intervention Services	
Priority Order	**Payment Source**
1	Private pay
2	Private health insurance
3	Medicaid/Title XIX funding and Child Health Plan Plus
4	Child Welfare and TANF
5	State General Funded E.I. Services and other state and federal funds
6	Other Local Funds
7	ARRA funds and Part C of IDEA funds

The following graph illustrates two points: the growth in the average monthly number of infants and toddlers utilizing EI services, and how various funding sources that are being used to pay for EI services, since the implementation of the funding hierarchy. Note that federal American Recovery and Reinvestment Act (ARRA) funds offset what would have been General Fund dollars for EI services in FY 2009-10 and FY 2010-11.



Early Intervention Services Trust Fund

The Early Intervention Services Trust Fund (Trust Fund) was established by H.B. 09-1237 with the goal of encouraging private health insurance companies regulated by the Colorado Division of Insurance to pay for the costs of children covered by private insurance plans. For children with participating insurance companies, the company will deposit approximately $6,000 per year into the Trust Fund for services specific for the insured child. Once the child is no longer eligible for services, Section 27-10.5-709 (2) (c), C.R.S. requires any funds remaining in the Trust Fund for that child must be repaid to the insurance company. The following table shows the amount of dollars that have been reverted to insurance companies.

Early Intervention Services Trust Fund Reversions			
	FY 2009-10	**FY 2010-11**	**FY 2011-12**
Number of children whose benefit plan year ended or who exited EI services in the fiscal year*	1,230	1,334	1,312
Number of Children Whose Service Costs Exceeded the Amount of the Private Insurance Carrier Contribution to the EIST	105	77	103
Total Amount Returned To Private Insurance Carrier	**$4,703,561**	**$4,808,400**	**$4,926,434**

**Service plans renew annually.*

The availability of funds through the Trust Fund is not growing proportionately to the growth in caseload due to three primary factors:

1. less families are able to afford health insurance;
2. many companies trying to become self-funded; therefore, coverage is no longer under a qualified plan; and
3. more qualified plans are providing Health Savings Accounts in lieu of previously provided medical plans.

The options available to the General Assembly to mitigate the decreasing impact of the Trust Fund are fairly limited. One option is repealing the requirement that any unspent funds be repaid to the insurance company. **Staff recommends the Department discuss the feasibility and impact on funding for early intervention services funding should the Early Intervention Services Trust Fund repayment requirement be repealed.**

Family Cost Participation Study

The Department contracted with Public Consulting Group (PCG) to conduct an examination of other states' implementation of family fee systems as part of the coordinated system of payments. PCG recommended Colorado consider implementing a fee for service program for early intervention services. The final recommendations included:

- A three tiered monthly participation fee, not tied to the frequency and intensity of services provided including;
  - one fee for families who give permission to access insurance;
  - one fee for families that deny access to insurance; and
  - one fee for families eligible for public insurance programs that refuse to either enroll when eligible or refuse access to public benefits.
- Centralized billing and collection to ensure consistency and separate the fee process from the delivery of services. The cost of administration should not exceed 15% of revenue collected.
- Responsibility of information collection would lie with the service coordinator (CCB);
- Inclusion of certain hardships like unforeseen medical or disaster related expenses, or court mandates.

PCG estimated the fiscal impact would be $1,837,536 total funds, of which $324,271 would be for administrative costs. The report assumed 1,800 families (30.0 percent) accessing EI services would be subject to the fee. The average cost per family, using the numbers in the report, would result in 1,800 families paying an average of $1,020 per year for EI services. Staff is concerned the revenue estimated in the recommendation is not a realistic amount, and questions if the 15.0 percent administration cost is worth the cost to a select group of families.

Implementing a participation fee for early intervention services is a significant policy decision, and staff is concerned the Department may go forward with implementation without asking or receiving input from families, providers, or the General Assembly. There are a couple of statements made in the recommendation that caused staff to become concerned, including the recommendation to suspend services and add additional responsibilities to case managers.

The recommendation to suspend services is made on page 18 of the report. The recommendation says, "If a family falls three months behind in payments, early intervention services that are subject to fees should be suspended. Services should not be reinstated until the balance due is paid in full. Partial payment made by the family should not be sufficient to reinstate services. Families should be informed that services that would have been provided during the suspension period will not be "made up". Any subsequent attempt at enrollment for that child or any other child in the family should not move forward until the amount owed is paid in full." Not only

does this recommendation violate the agreement terms of IDEA Part C, but penalizes the child receiving services for the family's inability to pay.

The report continues on to say "Colorado may meet some resistance to fee implementation. The culture of "free services" is part of the disability community on a national level, particularly for early intervention services. Service coordinators may be uncomfortable having discussions with families regarding income issues and documentation of hardship expenses." This statement does acknowledge the possible pushback on family participation costs for EI services, but at the same time indicated that it would be appropriate for case managers to ask families for their financial information. Requiring case managers to ask for financial information would represent a shift in the role of case managers from one of assistant and support to one that could be viewed as a barrier to services.

In the FY 2013-14 request for additional funds, the Department indicated that strong consideration is being made to implementing a family cost participation fee. It is concerning to staff that the Department would consider such a policy change without seeking input from the General Assembly. **Staff recommends the Department provide a status update regarding the implementation of the Family Cost Participation fee including: the process the Department will utilize to ensure appropriate input is received from clients, providers, and families, and an estimated revenue projection based on the most recent caseload data.**

RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S STRATEGIC PLAN:

This briefing issue addresses issues integral to the departments' fifth performance goal which is to achieve kindergarten readiness and education success for Colorado children by providing high-quality, coordinated, collaborated programs for families and children.

Appendix A: Number Pages

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
DEPARTMENT OF HUMAN SERVICES					
Reggie Bicha, Executive Director					

(9) SERVICES FOR PEOPLE WITH DISABILITIES
This section includes funding for Community Services for People with Developmental Disabilities, Regional Centers for People with Developmental Disabilities, the Work Therapy Program, the Division of Vocational Rehabilitation, and Homelake Domiciliary and the State and Veterans Nursing Homes.

(A) Community Services for People with Developmental Disabilities

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Personal Services	2,714,043	2,739,222	2,904,811	2,821,868 *	
FTE	32.8	32.5	36.0	34.0	
General Fund	140,340	90,146	227,108	226,958	
Cash Funds	79,293	80,307	79,485	0	
Reappropriated Funds	2,494,410	2,568,769	2,598,218	2,594,910	
Operating Expenses	136,808	133,984	155,651	148,523 *	
Cash Funds	917	2,349	7,128	0	
Reappropriated Funds	135,891	131,635	148,523	148,523	
Community and Contract Management System	130,633	75,214	137,480	137,480	
General Fund	37,850	38,160	41,244	41,244	
Reappropriated Funds	92,783	37,054	96,236	96,236	
Support Level Administration	61,455	69,101	57,368	57,368	
Reappropriated Funds	61,455	69,101	57,368	57,368	

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request		Request vs. Appropriation
SUBTOTAL -	3,042,939	3,017,521	3,255,310	3,165,239		(2.8%)
FTE	32.8	32.5	36.0	34.0		(5.6%)
General Fund	178,190	128,306	268,352	268,202		(0.1%)
Cash Funds	80,210	82,656	86,613	0		(100.0%)
Reappropriated Funds	2,784,539	2,806,559	2,900,345	2,897,037		(0.1%)
Adult Comprehensive Services	304,569,950	297,831,986	303,205,654	316,959,650	*	
General Fund	387,156	1,212,832	0	0		
Cash Funds	30,798,715	30,798,715	30,798,715	30,798,715		
Reappropriated Funds	273,384,079	265,820,439	272,406,939	286,160,935		
Adult Supported Living Services	45,391,603	44,551,551	44,117,306	45,612,027	*	
General Fund	7,812,106	7,520,973	7,616,069	7,730,310		
Reappropriated Funds	37,579,497	37,030,578	36,501,237	37,881,717		
Early Intervention Services	12,440,977	13,161,802	14,960,930	15,235,380	*	
General Fund	12,440,977	13,161,802	14,960,930	15,235,380		
Family Support Services	3,070,206	2,173,002	2,169,079	2,201,615	*	
General Fund	3,070,206	2,173,002	2,169,079	2,201,615		
Children's Extensive Support Services	7,956,073	7,335,731	7,530,361	13,423,652	*	
Reappropriated Funds	7,956,073	7,335,731	7,530,361	13,423,652		
Case Management	25,216,667	23,874,498	28,795,235	31,907,925	*	
General Fund	3,541,232	4,224,963	4,768,210	4,451,333		
Reappropriated Funds	21,675,435	19,649,535	24,027,025	27,456,592		

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Special Purpose	898,614	908,455	398,084	892,766 *	
General Fund	879,184	908,455	360,844	854,967	
Reappropriated Funds	19,430	0	37,240	37,799	
SUBTOTAL -	399,544,090	389,837,025	401,176,649	426,233,015	6.2%
FTE	0.0	0.0	0.0	0.0	0.0%
General Fund	28,130,861	29,202,027	29,875,132	30,473,605	2.0%
Cash Funds	30,798,715	30,798,715	30,798,715	30,798,715	0.0%
Reappropriated Funds	340,614,514	329,836,283	340,502,802	364,960,695	7.2%
Federal Special Education Grant for Infants, Toddlers, and Their Families (Part C)	8,065,742	7,988,552	7,030,214	7,030,214	
FTE	6.2	5.9	6.5	6.5	
Federal Funds	8,065,742	7,988,552	7,030,214	7,030,214	
Custodial Funds for Early Intervention Services	6,053,908	10,895,854	3,421,443	3,421,443	
Cash Funds	6,053,908	10,895,854	3,421,443	3,421,443	
Preventive Dental Hygiene	63,051	63,051	63,051	63,997 *	
General Fund	59,409	59,409	59,409	60,300	
Cash Funds	3,642	3,642	3,642	3,697	
SUBTOTAL -	14,182,701	18,947,457	10,514,708	10,515,654	NaN
FTE	6.2	5.9	6.5	6.5	0.0%
General Fund	59,409	59,409	59,409	60,300	1.5%
Cash Funds	6,057,550	10,899,496	3,425,085	3,425,140	0.0%
Federal Funds	8,065,742	7,988,552	7,030,214	7,030,214	0.0%

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request		Request vs. Appropriation
SUBTOTAL - (A) Community Services for People with Developmental Disabilities	416,769,730	411,802,003	414,946,667	439,913,908		6.0%
FTE	39.0	38.4	42.5	40.5		(4.7%)
General Fund	28,368,460	29,389,742	30,202,893	30,802,107		2.0%
Cash Funds	36,936,475	41,780,867	34,310,413	34,223,855		(0.3%)
Reappropriated Funds	343,399,053	332,642,842	343,403,147	367,857,732		7.1%
Federal Funds	8,065,742	7,988,552	7,030,214	7,030,214		0.0%
(B) Regional Centers for People with Developmental Disabilities						
Personal Services	42,802,176	41,147,575	45,357,421	44,874,467	*	
FTE	831.9	864.9	887.1	887.1		
General Fund	2,456,176	0	0	0		
Cash Funds	2,762,259	870,928	2,060,389	2,060,389		
Reappropriated Funds	37,583,741	40,276,647	43,297,032	42,814,078		
Operating Expenses	2,396,866	2,418,209	2,565,228	2,565,228		
Reappropriated Funds	2,396,866	2,418,209	2,565,228	2,565,228		
Capital Outlay - Patient Needs	71,981	72,115	72,126	72,126		
Reappropriated Funds	71,981	72,115	72,126	72,126		
Leased Space	38,746	38,642	42,820	42,820		
Reappropriated Funds	38,746	38,642	42,820	42,820		
Resident Incentive Allowance	135,451	97,302	138,176	138,176		
Reappropriated Funds	135,451	97,302	138,176	138,176		

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Provider Fee	1,867,655	0	1,867,655	1,867,655	
Reappropriated Funds	1,867,655	0	1,867,655	1,867,655	
SUBTOTAL -	47,312,875	43,773,843	50,043,426	49,560,472	(1.0%)
FTE	831.9	864.9	887.1	887.1	0.0%
General Fund	2,456,176	0	0	0	0.0%
Cash Funds	2,762,259	870,928	2,060,389	2,060,389	0.0%
Reappropriated Funds	42,094,440	42,902,915	47,983,037	47,500,083	(1.0%)
General Fund Physician Services	85,185	83,659	85,809	85,809	
FTE	0.5	0.6	0.5	0.5	
General Fund	85,185	83,659	85,809	85,809	
SUBTOTAL -	85,185	83,659	85,809	85,809	0.0%
FTE	0.5	0.6	0.5	0.5	0.0%
General Fund	85,185	83,659	85,809	85,809	0.0%
SUBTOTAL - (B) Regional Centers for People with Developmental Disabilities	47,398,060	43,857,502	50,129,235	49,646,281	(1.0%)
FTE	832.4	865.5	887.6	887.6	0.0%
General Fund	2,541,361	83,659	85,809	85,809	0.0%
Cash Funds	2,762,259	870,928	2,060,389	2,060,389	0.0%
Reappropriated Funds	42,094,440	42,902,915	47,983,037	47,500,083	(1.0%)

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
(C) Work Therapy Program					
Program Costs	356,122	346,808	467,116	467,116	
FTE	1.3	0.3	1.5	1.5	
Cash Funds	356,122	344,970	467,116	467,116	
Reappropriated Funds	0	1,838	0	0	
SUBTOTAL - (C) Work Therapy Program	356,122	346,808	467,116	467,116	0.0%
FTE	1.3	0.3	1.5	1.5	0.0%
Cash Funds	356,122	344,970	467,116	467,116	0.0%
Reappropriated Funds	0	1,838	0	0	0.0%
(D) Division of Vocational Rehabilitation					
Rehabilitation Programs - General Fund Match	19,106,793	18,938,612	19,253,774	19,248,920	
FTE	221.1	218.7	212.7	212.7	
General Fund	4,101,039	4,057,195	4,104,874	4,100,020	
Federal Funds	15,005,754	14,881,417	15,148,900	15,148,900	
Rehabilitation Programs - Local Funds Match	23,934,854	25,371,366	24,119,460	24,119,460	
FTE	23.2	8.5	11.0	11.0	
Cash Funds	0	0	34,647	34,647	
Reappropriated Funds	5,087,086	5,406,721	5,117,803	5,117,803	
Federal Funds	18,847,768	19,964,645	18,967,010	18,967,010	
Business Enterprise Program for People who are Blind	639,835	782,066	1,182,527	1,182,527	
FTE	4.7	5.3	6.0	6.0	
Cash Funds	137,140	163,641	251,107	251,107	
Reappropriated Funds	0	2,939	0	0	
Federal Funds	502,695	615,486	931,420	931,420	

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Business Enterprise Program - Program Operated Stands, Repair Costs, and Operator Benefits	127,062	171,879	429,000	429,000	
Cash Funds	127,062	171,879	429,000	429,000	
Independent Living Centers and State Independent Living Council	1,942,040	1,860,291	1,783,431	1,783,431	
General Fund	1,457,604	1,457,604	1,457,604	1,457,604	
Cash Funds	29,621	29,621	29,621	29,621	
Federal Funds	454,815	373,066	296,206	296,206	
Older Blind Grants	675,680	729,944	450,000	450,000	
Cash Funds	0	0	45,000	45,000	
Federal Funds	675,680	729,944	405,000	405,000	
Traumatic Brain Injury Trust Fund	3,310,294	2,788,163	3,295,945	3,295,945	
FTE	1.6	1.5	1.5	1.5	
Cash Funds	3,039,033	2,755,329	3,295,945	3,295,945	
Reappropriated Funds	271,261	32,834	0	0	
Federal Social Security Reimbursements	1,103,224	3,197,737	1,103,224	1,103,224	
Federal Funds	1,103,224	3,197,737	1,103,224	1,103,224	
American Recovery and Reinvestment Act - Vocational Rehabilitation Funding	1,005,284	819,233	0	0	
Federal Funds	1,005,284	819,233	0	0	

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
SUBTOTAL - (D) Division of Vocational Rehabilitation	51,845,066	54,659,291	51,617,361	51,612,507	NaN
FTE	250.6	234.0	231.2	231.2	(0.0%)
General Fund	5,558,643	5,514,799	5,562,478	5,557,624	(0.1%)
Cash Funds	3,332,856	3,120,470	4,085,320	4,085,320	0.0%
Reappropriated Funds	5,358,347	5,442,494	5,117,803	5,117,803	0.0%
Federal Funds	37,595,220	40,581,528	36,851,760	36,851,760	0.0%
(E) Homelake Domiciliary and State and Veterans Nursing Homes					
Administration	0	0	1,494,165	1,494,165	
FTE	0.0	0.0	5.0	5.0	
Cash Funds	0	0	1,494,165	1,494,165	
Consulting Services	185,076	174,644	185,076	185,076	
Cash Funds	185,076	174,644	185,076	185,076	
Fitzsimmons State Veterans Nursing Home	0	0	20,046,163	20,046,163	
FTE	0.0	0.0	249.0	249.0	
Cash Funds	0	0	14,308,951	14,308,951	
Federal Funds	0	0	5,737,212	5,737,212	
Florence State Veterans Nursing Home	0	0	9,617,875	9,617,875	
FTE	0.0	0.0	112.0	112.0	
Cash Funds	0	0	6,850,813	6,850,813	
Federal Funds	0	0	2,767,062	2,767,062	

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Homelake State Veterans Nursing Home and Domiciliary	0	0	5,755,952	5,755,952	
FTE	0.0	0.0	70.5	70.5	
Cash Funds	0	0	3,923,477	3,923,477	
Federal Funds	0	0	1,832,475	1,832,475	
Homelake Domiciliary State Subsidy	186,130	214,502	186,130	186,130	
General Fund	186,130	186,130	186,130	186,130	
Reappropriated Funds	0	28,372	0	0	
Rifle State Veterans Nursing Home	0	0	8,701,062	8,701,062	
FTE	0.0	0.0	121.0	121.0	
Cash Funds	0	0	6,491,862	6,491,862	
Federal Funds	0	0	2,209,200	2,209,200	
Walsenburg State Veterans Nursing Home	0	0	176,372	176,372	
FTE	0.0	0.0	1.0	1.0	
Cash Funds	0	0	176,372	176,372	
Nursing Home Indirect Costs Subsidy	800,000	800,000	800,000	800,000	
General Fund	800,000	800,000	800,000	800,000	
Program Costs	54,428,011	48,119,017	0	0	
FTE	673.4	531.0	0.0	0.0	
Cash Funds	42,453,849	33,258,217	0	0	
Federal Funds	11,974,162	14,860,800	0	0	

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
SUBTOTAL - (E) Homelake Domiciliary and State and Veterans Nursing Homes	55,599,217	49,308,163	46,962,795	46,962,795	0.0%
FTE	673.4	531.0	558.5	558.5	0.0%
General Fund	986,130	986,130	986,130	986,130	0.0%
Cash Funds	42,638,925	33,432,861	33,430,716	33,430,716	0.0%
Reappropriated Funds	0	28,372	0	0	0.0%
Federal Funds	11,974,162	14,860,800	12,545,949	12,545,949	0.0%
TOTAL - (9) Services for People with Disabilities	571,968,195	559,973,767	564,123,174	588,602,607	4.3%
FTE	1,796.7	1,669.2	1,721.3	1,719.3	(0.1%)
General Fund	37,454,594	35,974,330	36,837,310	37,431,670	1.6%
Cash Funds	86,026,637	79,550,096	74,353,954	74,267,396	(0.1%)
Reappropriated Funds	390,851,840	381,018,461	396,503,987	420,475,618	6.0%
Federal Funds	57,635,124	63,430,880	56,427,923	56,427,923	0.0%
TOTAL - Department of Human Services	571,968,195	559,973,767	564,123,174	588,602,607	4.3%
FTE	1,796.7	1,669.2	1,721.3	1,719.3	(0.1%)
General Fund	37,454,594	35,974,330	36,837,310	37,431,670	1.6%
Cash Funds	86,026,637	79,550,096	74,353,954	74,267,396	(0.1%)
Reappropriated Funds	390,851,840	381,018,461	396,503,987	420,475,618	6.0%
Federal Funds	57,635,124	63,430,880	56,427,923	56,427,923	0.0%

Appendix B: Recent Legislation Affecting Department Budget

2011 Session Bills

S.B. 11-076 (PERA Contribution Rates): For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year.

S.B. 11-209 (Long Bill): General appropriations act for FY 2011-12.

2012 Session Bills

H.B. 12-1063: Establishes the Homelake Military Veterans Cemetery which consists of the existing cemetery at the Colorado State Veterans Center in Homelake and the adjacent portion of the campus available for cemetery expansion. Requires the Department to maintain the cemetery, and allows for the use of contractors. Requires the Department to establish rules and to set a fee to reserve burial plots, with reservations open to all veterans and family members eligible for burial at the cemetery. Creates the Homelake Military Veterans Cemetery Fund (Fund), and appropriate $2,500 cash funds from the Fund for FY 2012-13.

H.B. 12-1186 (Supplemental): Supplemental appropriations to modify the Department's FY 2011-12 appropriations.

H.B. 12-1246 (Reverse Paydate Shift for Biweekly Employees): reverses the annual pay date shift as it applies to state employees paid on a biweekly basis from the General Fund. Increases appropriations to the Department by $984,145 total funds (including $726,924 General Fund).

H.B. 12-1335 (Long Bill): General appropriations act for FY 2012-13.

H.B. 12-1342 (Work Therapy Program and Fund): Creates the Work Therapy Program and Work Therapy Cash Fund. Appropriates $467,116 cash funds from the Fund and 1.5 FTE to the Department for FY 2012-13.

Appendix C: Update on Long Bill Footnotes & Requests for Information

Long Bill Footnotes

28 **Department of Human Services, Services for People with Disabilities, Community Services for People with Developmental Disabilities, Program Costs --** It is the intent of the General Assembly that expenditures for these services be recorded only against the Long Bill group total for Program Costs.

Comment: The Department is in compliance with this footnote.

29 Department of Human Services, Services for People with Disabilities, Community Services for People with Developmental Disabilities, Other Community Programs, Preventive Dental Hygiene -- It is the intent of the General Assembly that this appropriation be used to provide special dental services for persons with developmental disabilities.

Comment: The Department is in compliance with this footnote.

Requests for Information

Multiple Department Requests

4 **All Departments, Totals --** Every department is requested to submit to the Joint Budget Committee, by November 1, 2012, information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that were received in FY 2011-12. The Departments are also requested to identify the number of additional federal and cash funds FTE associated with any federal grants or private donations that are anticipated to be received during FY 2012-13.

Comment: The Department did not submit any information for this request for information relevant to the Department sections covered in this briefing.

5 **Department of Health Care Policy and Financing, Executive Director's Office; and Department of Human Services, Services for People with Disabilities --** The Departments are requested to submit to the Joint Budget Committee by October 15, 2012, a report on the high-level outline of the initial steps required to modify Colorado long-term care system into a new model of service delivery. The report is requested to include the following information: summary of the information gathered through community forums including participants of the forums; the status and results of the fiscal and programmatic analysis done of the existing waivers, including what methods were explored for streamlining existing waivers while maintaining waiver expenditures at current levels; and the status of the nation-wide search of best practice service delivery

models and the advantages and disadvantages of implementation of the alternative models.

Comment: The response provided by the Department of Health Care Policy and Financing will be addressed during the December 19, 2012 Department of Health Care Policy and Financing JBC staff briefing.

Department of Human Services Requests

1 **Department of Human Services, Services for People with Disabilities, Community Services for People with Developmental Disabilities, Program Costs, Early Intervention Services --** The Department is requested to notify the Joint Budget Committee before implementing any cost containment strategy expected to result in a decrease in the number of people eligible for early intervention services. The notification should include discussion of alternative strategies, including but not limited to provider rate reductions and increasing payments from non-General Fund sources, and an estimate of the cost of serving the projected population without reducing eligibility.

Comment: The Department has not submitted any notifications to the Joint Budget Committee as of this briefing. The Department did submit a request for FY 2013-14 for additional funding for early intervention services. Staff will make a recommendation on that request during the figure setting process for FY 2013-14.

13 **Department of Human Services, Services for People with Disabilities, Community Services for People with Developmental Disabilities, Regional Centers --** The Department is requested to submit a report to the Joint Budget Committee by October 15, 2012 on the policy options for how Regional Centers are most effective in serving individuals with developmental disabilities and the associated cost analysis of each of the policy options. The report is requested to include: (1) what services are provided at regional centers which can be provided by community providers and the associated cost analysis; (2) what current funding and fiscal policies of the Regional Centers have been reviewed and the outcome; (3) what issues will need to be addressed related to community capacity, transition, and the establishment of a safety net and the associated fiscal impact; (4) how the Department will ensure an integrated health care system is available to those who are transitioned to the community and require specialized health care and the associated cost analysis; (5) whether an individual currently served at a Regional Center is periodically assessed to determine whether they are able to successfully transition into the community, and (6) steps the Department has taken to ensure stakeholders are involved in the discussions about the policy and fiscal options.

Comment: The Department submitted the report on November 15, 2012, and the first briefing issue addresses the highlights of the report.

Appendix D: Indirect Cost Assessment Methodology

This appendix was included in the briefing presentation for the Department of Human Services, Executive Director's Office and Office of Operations.

Appendix E: Change Requests' Relationship to Performance Measures

This appendix will show how the Department of Human Services indicates each change request ranks in relation to the Department's top priorities and what performance measures the Department is using to measure success of the request.

Change Requests' Relationship to Performance Measures			
R	**Change Request Description**	**Goals / Objectives**	**Performance Measures**
1	Provide funding for 809 new community-based full bed placements for adults and youth with developmental disabilities.	N/A	N/A
2	Increase funding for Early Intervention Services and associated case management.	To improve the number of children in early intervention services who display improvement in the development of physical, cognitive, and behavioral skills.	Percent of infants and toddlers demonstrating growth to near or at age skill levels.
5	1.5 percent community provider rate increase.	N/A	N/A
12	Technical changes to align appropriations with expenditures in the developmental disabilities program area.	N/A	N/A

Appendix F: HCPF and DHS CCT Program Responsibilities

<table>
<tr><td colspan="2">Department of Health Care Policy and Financing</td></tr>
<tr><td>Long-Term Benefits Division</td><td>Primary oversight of the CCT Project. Day-to-day operations for transitions, policy and program development, enrollment, stakeholder engagement and quality monitoring will occur through this office. Monitoring the performance of the CCT program and system benchmarks is the responsibility of the Project Director, supervisor of the LTC Reform Unit, and staff of the LTC Reform Unit.</td></tr>
<tr><td>Rates and Analysis Division</td><td>Position within the Data Analysis Section will use database software to download, manage, and summarize data for the CCT grant. Position will be responsible for designing and providing any databases required for tracking CCT clients and their services. The position will complete research and analysis using data from ad hoc databases, MMIS and Benefits Utilization System (BUS). The position acts to educate, train, advise and counsel Department staff and management on principles and theories adopted in models and processes supporting decision items, programs and other areas of analytical analysis for the Money Follows the Person grant. Position is asked to work with external contractors, Federal agencies and stakeholders by providing tactical plans involving combining, modifying or adapting statistical models, theories, etc. to answer questions. This position will also act as the project manager for the overall department Data Strategy for the LTC delivery which will include both the BUS and MMIS-DSS.</td></tr>
<tr><td>Policy and Training Unit</td><td>The Policy and Training Unit will work with the CCT Project Team to develop external trainings for the general public, case management agencies, transition coordination agencies, nursing facilities and other LTC facilities. As much as possible the CCT trainings will be integrated into already planned trainings for these agencies.</td></tr>
<tr><td>Public Information Officer</td><td>The Public Information Officer will assist the CCT project team in the planning and designing of marketing and outreach activities to ensure maximum enrollment and participation in the CCT program.</td></tr>
<tr><td colspan="2">Department of Human Services</td></tr>
<tr><td>Division for Developmental Disabilities</td><td rowspan="2">DDD will appoint staff that provide administrative oversight of, oversee quality and manage the data systems for the HCBS waivers for people with developmental disabilities. These staff will ensure integration of the CCT Program requirements into existing waiver administration activities. DDD and DRCO will provide data on transitions to the Department for inclusion in CCT reports.</td></tr>
<tr><td>Division of Regional Center Operations</td></tr>
<tr><td>Division of Aging and Adult Services – State Unit on Aging</td><td>The SUA will provide data related to the expansion and development of the ADRC initiative in support of the CCT benchmark to redesign the LTC entry point system.</td></tr>
<tr><td>Office of Behavioral Health and Housing – Mental Health Institutes</td><td>OBHH will assist the CCT Project Team with managing transitions from IMDs to the community. OBHH staff will work closely with the Transitions Administrator at the Department to coordinate these transitions and ensure enrollment into the CCT program.</td></tr>
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