

Program 040

DSHS - Developmental Disabilities

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2009-11 Expenditure Authority	3,480.6	820,242	1,098,649	1,918,891
Supplemental Changes				
Reduce Institutional Funding		(1,778)	(3,209)	(4,987)
Revise Individual and Family Support	.5	(5,173)		(5,173)
Administrative and Staff Reductions	(36.6)	(3,521)	(2,347)	(5,868)
Community Contract Reductions		(434)	(290)	(724)
Federal Stimulus Correction		9,555	(9,555)	
Create Childrens State Operated Living Alternative Program	5.0	345	407	752
Reduce County Employment Contracts		(1,152)	(1,498)	(2,650)
Suspend Employment Partnership		(787)	(963)	(1,750)
Close Developmental Disabilities Institutions #	(26.2)	1,611	1,889	3,500
Utilization of Residential Services		(3,671)	(8,549)	(12,220)
Eliminate State Employment and Day Services		(1,200)		(1,200)
Average Final Compensation		34	31	65
Health Insurance Increase		1,346	1,197	2,543
Consolidate Printing Functions		(24)	(12)	(36)
Housekeeping and Laundry Reduction		(3,809)	(4,954)	(8,763)
Waiver Graduate Employment Services		764	1,027	1,791
Developmental Disabilities Community Protection Residential	.8	956	1,229	2,185
Developmental Disabilities Expanded Community Residential	.8	1,074	1,358	2,432
Increase Residential License Fees #			7	7
Delay Mandatory Training #		(1,312)	(1,706)	(3,018)
Homecare Agency Reductions #		(5,061)	(6,536)	(11,597)
Reduce Agency Administrative Rate		(216)	(281)	(497)
Eliminate Add-On Hours		(826)	(1,074)	(1,900)
Level of Care for Medicaid Personal Care Clients	(1.6)	(2,631)	(4,208)	(6,839)
Children In Home Hours		7,832	11,596	19,428
Agency Providers to Individual Providers		2,718	4,059	6,777
Children In Home Hours Revised Saving		(6,283)	(9,297)	(15,580)
Developmental Disabilities Revised Residential Phase-In		1,081	1,790	2,871
Suspend Adult Dental Services		450		450
Suspend Medicare Part D Co-Pay #	1.8	188	148	336
Federal Funds Technical Adjustment				
Agency Providers to Individual Providers-Revised Savings		(2,450)	(3,604)	(6,054)
Labor and Industries Rate Changes for Institutions		(210)	(278)	(488)
Mandatory Caseload Adjustments		(10,428)	(3,828)	(14,256)
Mandatory Workload Adjustments	12.9	1,336	890	2,226
Transfers	(1.0)	(2,106)	(3,074)	(5,180)
Subtotal - Supplemental Changes	(43.7)	(23,782)	(39,635)	(63,417)

HUMAN SERVICES - DSHS

	Annual FTEs	General Fund State	Other Funds	Total Funds
Total Proposed Budget	3,436.9	796,460	1,059,014	1,855,474
Difference	(43.7)	(23,782)	(39,635)	(63,417)
Percent Change	(1.3)%	(2.9)%	(3.6)%	(3.3)%

SUPPLEMENTAL CHANGES

Reduce Institutional Funding

Efficiency measures include cottage consolidation, changing maintenance schedules, reduced adult training programs, and reduced services for items like dental care. (General Fund-State, General Fund-Federal)

Revise Individual and Family Support

There is a freeze on new families coming into the program through June 2010. The program will be reduced beginning July 1, 2010. The revised program includes financial means testing. Benefits are only provided to families earning \$30,000 or less a year. Annual benefits will be reduced from \$3,000 to \$2,250.

Administrative and Staff Reductions

The Developmental Disabilities Program continues to implement efficiency measures such as reductions in travel, equipment replacement, and personal services contracts. Vacant case manager positions are being held open. Some positions are eliminated due to consolidation of resident cottages in the residential habilitation centers. (General Fund-State, General Fund-Federal)

Community Contract Reductions

Contracts with community entities and professionals who provide technical assistance to self advocates, families, senior caregivers, residential providers, and employers will be reduced or eliminated. (General Fund-State, General Fund-Federal)

Federal Stimulus Correction

More American Recovery and Reinvestment Act stimulus funds were received during Fiscal Year 2009 because the Aging and Disability Services Administration based its expenditure forecasts on date of payment rather than month of service, which is the basis used by the federal government. This corrects the resulting shortfall in state funding for Medicaid expenses in Fiscal Year 2011. (General Fund-State, General Fund-Federal)

Create Childrens State Operated Living Alternative Program

A new State Operated Living Alternative program staffed by state employees is created to address the need for out-of-home placements for children with developmental disabilities who may otherwise be in an institution. (General Fund-State, General Fund-Federal)

Reduce County Employment Contracts

County contracts for employment and day services will be reduced by approximately three percent.

Suspend Employment Partnership

The Jobs by 21 Partnership provides project awards to counties to help leverage funding to improve employment outcomes for individuals with developmental disabilities. The Partnership will be reduced by 75 percent in Fiscal Year 2010. It will be completely suspended as of July 1, 2010.

Close Developmental Disabilities Institutions #

Following the recommendations proposed by the Feasibility Study for the Closure of State Institutional Facilities, Frances Haddon Morgan Center in Bremerton will be closed by June 2011. Rainier School will begin downsizing in 2011, and will close by June 2014. Residents will be transferred to appropriate community settings or another Residential Habilitation Center. (General Fund-State, General Fund-Federal)

Utilization of Residential Services

Funding is provided to address greater utilization of Division of Developmental Disabilities residential services in Adult Supported Living, Child Supported Living, Group Homes, Community Protection, and Intermediate Care for the Mentally Retarded. (General Fund-State, General Fund-Federal)

Eliminate State Employment and Day Services

Employment and Day services for 200 clients who do not qualify for Medicaid will no longer be offered.

Health Insurance Increase

Washington State employee medical and health insurance expenditures are projected to exceed budgeted levels. With the current trend, the Public Employees Benefits Board (PEBB) fund is anticipated to have a negative fund balance exceeding \$200 million. Increases in revenues will be accomplished by using the entire Premium Stabilization Reserve; transferring \$35 million from the Incurred But Not Received (IBNR) reserve account; and modifying point of service costs (e.g., deductibles) for PEBB plan offerings beginning in calendar year 2011. The current Fiscal Year 2011 monthly contribution rate of \$768 is increased to \$830 to make up the remaining fund deficit.

Consolidate Printing Functions

Savings will be achieved through reductions in printing costs caused by the consolidation of printing functions within the agency. (General Fund-State, General Fund-Federal)

Housekeeping and Laundry Reduction

Approximately 7,100 in-home care clients who receive laundry and housekeeping personal care services will have a reduction of authorized paid services averaging six hours per month. The average level of authorized services has been 105 hours per month. (General Fund-State, General Fund-Federal)

Waiver Graduate Employment Services

There are 343 graduating transition students who are currently on a Home and Community Based Services Waiver and are entitled to employment and day services. Funding was not included for these waiver clients in the 2009-11 Biennial Budget. (General Fund-State, General Fund-Federal)

Developmental Disabilities Community Protection Residential

Residential services, employment services, specialized therapies, and intensive case management and supports are provided for 13 additional new clients who pose a public safety risk. (General Fund-State, General Fund-Federal)

Developmental Disabilities Expanded Community Residential

Residential services and support will be provided for 24 people with developmental disabilities that will be aging out of other DSHS services such as the Juvenile Rehabilitation Administration and Children's Administration without other living arrangements available. (General Fund-State, General Fund-Federal)

HUMAN SERVICES - DSHS

Increase Residential License Fees #

License fees for nursing homes and boarding homes are increased to cover the cost of providing the licensure and re-inspection services that the agency is required to provide. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

Delay Mandatory Training #

Delaying the implementation of new training requirements for home care workers until the 2011-13 Biennium will ensure that all training program requirements are met, and will decrease the cost to the state in the 2009-11 Biennium. (General Fund-State, General Fund-Federal)

Homecare Agency Reductions #

Agency parity is repealed, and health benefit contributions made by the state for agency providers will be reduced from \$621 per month to \$319 per month. (General Fund-State, General Fund-Federal)

Reduce Agency Administrative Rate

This is a five percent reduction to the administrative portion of the hourly vendor rate paid to agency providers of in-home care. (General Fund-State, General Fund-Federal)

Eliminate Add-On Hours

Authorized in-home personal care hours for clients who receive the highest possible authorization of hours for special meal preparation or incontinence despite having assistance available from family or friends are reduced. Authorization for service hours will now, like other services, be based upon the individual's assessed needs. Approximately 1,400 Developmental Disabilities clients will have a reduction in service hours. (General Fund-State, General Fund-Federal)

Level of Care for Medicaid Personal Care Clients

The state has the option of setting eligibility levels for Medicaid Personal Care (MPC), an optional service under the Medicaid program. New standards will equal nursing facility level of care. Approximately 700 in-home and residential clients will lose MPC benefits. (General Fund-State, General Fund-Federal)

Children In Home Hours

The savings assumption for Medicaid in-home hours of care reduction in the 2009-11 Biennial Budget is reversed. A legal decision that the reduction cannot be applied to children under the age of 21 necessitates this change. The revised savings are reduced by a delay of approximately one month. (General Fund-State, General Fund-Federal)

Agency Providers to Individual Providers

The savings assumption for the required switch of clients from Agency Providers to Individual Providers assumed in the 2009-11 Biennial Budget is reversed due to a delay in the implementation caused by a lawsuit. The revised savings are reduced by a delay of approximately one month. (General Fund-State, General Fund-Federal)

Children In Home Hours Revised Saving

The anticipated savings to be attained by the Medicaid in-home care hours reduction were blocked by a court order. The savings associated with children under 21 cannot be achieved, and there will be approximately \$1.5 million less than predicted. (General Fund-State, General Fund-Federal)

Developmental Disabilities Revised Residential Phase-In

The phase-in schedule for funding additional individuals entering the Expanded Community Services and Public Safety programs is adjusted. This is necessary to match the number of people with developmental disabilities being released from mental hospitals, correctional facilities, or aging out of other department systems such as foster care this year who do not have other living arrangements. (General Fund-State, General Fund-Federal)

Suspend Adult Dental Services

The suspension of Medicaid adult dental benefits creates an offsetting expense in the Developmental Disabilities Division for dental care provided to residents of Residential Habilitation Centers that will no longer receive federal matching funds.

Suspend Medicare Part D Co-Pay

There is a cost offset for the reduction in the Medical Assistance Administration. The cost of care and FTE staff is added for financial eligibility reviews. (General Fund-State, General Fund-Federal)

Federal Funds Technical Adjustment

Federal funding adjustments are made to realign federal funds to their expected sources of federal earnings. (General Fund-Federal)

Agency Providers to Individual Providers-Revised Savings

The savings gained from requiring in-home care workers providing care for family members to be individual providers rather than be employed by a home care agency are adjusted. There was approximately a one month delay in implementing the program changes because of a lawsuit. (General Fund-State, General Fund-Federal)

Labor and Industries Rate Changes for Institutions

Rates for workers' compensation insurance are adjusted for institutional programs. The new rates go into effect on January 1, 2010. (General Fund-State, General Fund-Federal)

Mandatory Caseload Adjustments

These are costs and savings associated with the caseload changes in the November 2009 Developmental Disabilities forecast produced by the Caseload Forecast Council. These caseloads are the basis for the Developmental Disabilities forecast produced by the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

Mandatory Workload Adjustments

Client-to-staff ratios are established based on Developmental Disabilities Division caseload growth. (General Fund-State, General Fund-Federal)

Transfers

Fund transfers are made between Department of Social and Health Services programs to align appropriations with planned expenditures. (General Fund-State, General Fund-Federal)