



State of Connecticut
Department of Developmental Services

DDS

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**DEPARTMENT OF DEVELOPMENTAL SERVICES TESTIMONY
BEFORE THE APPROPRIATIONS COMMITTEE**

March 6, 2015

Senator Bye, Representative Walker, Senator Kane, Representative Ziobron and members of the Appropriations Committee. I am Morna A. Murray, J.D., Commissioner of the Department of Developmental Services (DDS). Thank you for the opportunity to testify on **H.B. No. 6824 AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE THIRTIETH 2017, AND MAKING APPROPRIATIONS THEREFOR AND OTHER PROVISIONS RELATED TO REVENUE.**

The mission of DDS is to partner with the individuals we support and their families, to support lifelong planning and to join with others to create and promote meaningful opportunities for individuals to fully participate as valued members of their communities. DDS supports approximately 21,500 individuals with intellectual and developmental disabilities across their lifespan. With this responsibility comes the challenge of assuring that services and supports are delivered in the most effective and efficient ways so as to help the most people. As the newly appointed Commissioner of DDS, I take this responsibility very seriously. Governor Malloy has taken the first steps to offering a balanced budget during very difficult economic times. During a challenging budget year, I look forward to working with each of you throughout the session within the confines of the budget process to find ways to restore critical priorities where possible.

Before I get into the specifics of the Governor's proposed budget, I wanted to take a moment to reference some of the recent successes at DDS that have positively affected the lives of many individuals who are supported by this agency. DDS, along with its many public and private partners, has developed a strong system of person-centered supports. DDS currently operates five Home and Community-Based Waivers (HCBS) and recently added four new services to help expand options for families (assisted technology, peer support, shared living and training and counseling for an unpaid caregiver). I commit to reviewing these Medicaid waivers to see if there are other options for individuals and their families that should be considered and also to ensure that DDS is maximizing federal resources available to us as a state.

During FY 2014, the department generated \$490,679,213 in federal Medicaid reimbursement (regular reimbursement totaled \$557,361,346 minus \$66,682,133 in retroactive rate adjustments). Waiver

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enrollment from FY13 to FY14 increased by 188 individuals. The HCBS waiver program allows for federal reimbursement for the majority of essential DDS services. As of June 30, 2014, the department provided services to a total of 9,614 individuals through all its waiver programs. The breakdown of federal revenue sources is as follows: DDS HCBS Waivers – \$364,048,072; ICF/IID - \$95,732,876; Targeted Case Management – \$24,230,071; Birth-to-Three - \$6,668,194.

The availability of services for individuals with Autism Spectrum Disorder (ASD) has increased tremendously over the last decade. What started as a pilot program in Hartford County has expanded into a funded waiver program for 103 individuals including 33 children receiving services through the Voluntary Services Program (VSP). On January 1, 2015, Connecticut began implementing a recent directive from the federal Centers for Medicare and Medicaid Services (CMS) for Medicaid coverage of a variety of medically necessary Autism Spectrum Disorder (ASD) services pursuant to Early and Periodic Screening, Diagnostic and Treatment (EPSDT) entitlements under Medicaid. These services are available to Medicaid-eligible children under the age of 21. The work of the Autism Spectrum Disorder Advisory Council has begun to implement critical components of the 2013 Autism Feasibility Study, offering new and important ways to support individuals and families. As is witnessed by the number of individuals waiting for services from the ASD Services Division, the DDS supports offered to individuals with ASD are extremely critical to successful life outcomes.

There is unprecedented momentum behind the transitioning of individuals from Southbury Training School (STS) to the community pursuant to the Messier Settlement Agreement. The current census is 310 individuals. DDS staff work continuously with individuals and families at STS to explore and pursue residential options in the community. There have been a total of 47 individuals who have moved into the community from STS since the commencement of the Settlement Agreement in November of 2010. At this time, there are approximately 40 individuals actively planning to move into the community. I know there are many questions about Southbury and its eventual closure. This is a very complex situation and I can assure you that we will be fully exploring the closure of Southbury, from all angles, in a timely and thoughtful way that will include representation from all key stakeholders.

DDS provides various residential options to individuals across Connecticut. In addition to the individuals at STS and the regional centers, individuals with intellectual disability reside in apartments, their own homes, family homes, community companion homes (CCHs), continuous residential supports (CRSs), and in over 870 Community Living Arrangements (CLAs), or “group homes” that DDS licenses, funds, or directly operates. These individuals live and work, go to school, and enjoy the many opportunities that Connecticut communities provide. The final Centers for Medicare and Medicaid Services (CMS) Home and Community-Based Services regulations set forth new requirements in 2014 under which states may provide home and community-based long-term services and support with a very strong emphasis on community integration and person-centered care. We will continue to explore and refine the most effective ways to support individuals in meaningful ways throughout all Connecticut communities.

The FY 2015 budget included four million dollars in new funding to reflect a half-year funding for 100 individuals designated as Priority One on the DDS Residential Waiting List who have a caregiver age 70 or older. As of July 1, 2014, there were 156 individuals on the Waiting List who met these criteria. Since July 1, 20 individuals and families declined to pursue Waiting List Initiative funding at this time. DDS has met with the remaining 136 families and discussed specific needs of the individual and their family. As of March 5, 2015, 116 individuals have been prioritized for planning, 92 individuals have received funding allocations and 52 individuals started receiving residential services. DDS is confident that the needs of at least 100 families will be addressed with the four million dollars in new funding and we are appreciative that this funding has been annualized to \$8 million in Governor Malloy’s proposed budget for FY16 and FY17.

For your information, as of March 4, 2015 there were 656 individuals on the DDS Residential Waiting List (27 Emergencies and 629 Priority 1). There were an additional 244 individuals with Other Residential Needs (16 Emergencies and 228 Priority 1) and 1,284 individuals on the Residential Planning List (985 Priority 2 and 299 Priority 3).

At this time, I'd like to discuss the Governor's proposed budget in more detail.

Personal Services (DDS Employees): Personal Services is increased by \$6,085,340 from FY15 to FY16 and \$8,183,478 from FY15 to FY17. The percentage change in the Personal Services account from FY15 to FY16 is 2.33% and from FY15 to FY17 is 3.13%. Seven positions and related funding of \$688,354 were transferred with the Birth-to-Three Program to the Office of Early Childhood (OEC) which will assume lead agency status on July 1, 2015. A reduction of \$900,000 is related to the elimination of 15 case management positions associated with the proposed reduction to the Voluntary Services Program (VSP). Approximately \$11.6 million of required FY16 collective bargaining costs for DDS staff have been funded.

Other Expenses: The Other Expenses account is reduced by a total of \$1,099,704 from FY15 to FY16. Additionally, DDS will be absorbing the required reduction to the Human Resource Development account through this account (see below). The percentage change in the Other Expenses account from FY15 to FY16 is -5.00 % and from FY15 to FY17 is -5.00%. This account supports operating costs (utilities, food, information technology, etc.) for state operated facilities and group homes as well as the DDS Central and Regional Offices.

Human Resource Development: The percentage change in the Human Resource Development account from FY15 to FY16 is -100.00% and from FY15 to FY17 is -100.00%. DDS will be absorbing a reduction in required staff training of \$188,443 in the Other Expenses account.

Family Support Grants: The consolidated Family Support Grants account is increased by \$277,935 from FY15 to FY16 and \$277,935 from FY15 to FY17. The consolidated account total for FY16 and FY17 is \$423,304 less than the FY15 allocation to the combined accounts (inclusive of a \$7,154 rescission). The percentage change in the Family Support Grant account from FY15 to FY16 is 8.03% and from FY15 to FY17 is 8.03%. The Family Support Grant account has been consolidated with the following accounts: Community Temporary Supports Services (\$60,753), Community Respite Care Programs (\$558,137), and Family Reunion Program (\$82,349).

Cooperative Placements Program: \$562,728 has been provided to annualize FY15 caseload growth.

Clinical Services: The percentage change in the Clinical Services account from FY15 to FY16 is -18.76% and from FY15 to FY17 is -18.76%. This account has been reduced by a total of \$806,876 from FY15 to FY16 and the same amount from FY15 to FY17. This includes an anticipated reduction in the department's reliance on Nursing Pool services and eliminating a contracted Medical Director.

Early Intervention: Approximately \$39.9 million is being transferred out of this account related to the transfer of the Birth-to-Three Program to the Office of Early Childhood. This includes \$688,354 associated with the seven positions in the Personal Services account associated with the program's transfer.

Community Temporary Support Services: Consolidated into the Family Support Account – (detailed above).

Community Respite Care Programs: Consolidated into the Family Support Account – (detailed above).

Autism Services: The percentage change in the Autism Services account from FY15 to FY16 is -3.00% and from FY15 to FY17 is 8.00%. This account is reduced by \$85,256 from FY15 to FY16 but increased by \$211,833 from FY15 to FY17. It should be noted that \$164,744 has been added to fund placements on the Home and Community-Based Waiver for Persons with Autism. Funding to support the new Early Childhood Autism Waiver (\$1 million) has been removed to reflect coverage under the new federal mandate, Early and Periodic Screening, Diagnostic and Treatment (EPSDT), requiring Medicaid to cover behavioral services for individuals under the age of 21 with autism spectrum disorder. This new expansion is funded under the Department of Social Services' Medicaid account. Additionally, approximately \$750,000 was provided to continue initiatives recommended by the Autism Feasibility Study, which were previously funded out of the Tobacco and Health Trust Fund.

Voluntary Services: The percentage change in the Voluntary Services account from FY15 to FY16 is -60.31% and from FY15 to FY17 is -42.27%. The DDS Voluntary Service Program (VSP) has been reduced by \$19,732,592 from FY15 to FY16 and \$13,829,318 from FY15 to FY17. These amounts do not include the \$900,000 reduction in the Personal Service account for 15 case management positions associated with this program.

Supplemental Payments for Medical Services: This account funds the user fee associated with state operated Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IIDs). \$170,000 was reduced through FY15 rescissions that were annualized in FY16 and FY17 to reflect fewer individuals in state-operated ICF/IIDs.

Rent Subsidy Program: This account, which funds rent and utility subsidies for individuals living in their own apartments, was reduced by \$20,000 through FY15 rescissions that were annualized in FY16 and FY17.

Family Reunion Program: Consolidated into the Family Support account – (detailed above).

Employment Opportunities and Day Services: The percentage change in the Employment Opportunities and Day Services account from FY15 to FY16 is -3.4% and from FY15 to FY17 is 0.79%. This account has been reduced by \$748,085 from FY15 to FY16. \$1,760,415 has been added from FY15 to FY17. This account includes \$1.9 million to annualize FY15 caseload growth. It also includes \$2.4 million in FY16 to support day programs for 99 individuals aging out of placements previously funded by the Department of Children and Families (DCF) or Local Education Authorities (LEAs) and \$2 million in FY17 for 84 individuals aging out. Day programs for FY16 and FY17 high school graduates are not funded.

Community Residential Services: The percentage change in the Community Residential Services account from FY15 to FY16 is 4.87% and from FY15 to FY17 is 7.59%. This account has been increased by \$22,332,662 from FY15 to FY16 and \$34,818,728 from FY15 to FY17. This includes the annualization of the \$4 million FY15 Waiting List Initiative funding to \$8 million in FY16 and FY17. \$7.2 million has been provided to annualize FY15 caseload growth for residential placements related to Money Follows the Person (MFP), the Messier Settlement Agreement and age-outs. Additionally, almost \$10 million was provided in FY16 to support residential placements for 110 individuals and \$8 million in FY17 for 96 individuals aging out of DCF or LEA-funded placements in FY16 and FY17.

In summary, the net increase in DDS's budget from FY15 to FY16, (not including the reallocation of funding associated with the transfer of the Birth-to-Three Program to the OEC) is approximately \$5.7 million. The net increase from FY15 to FY17 is approximately \$28.9 million. FY15 rescissions are annualized at \$10.5 million for each fiscal year. DDS appreciates Governor Malloy's commitment to many important items in our budget and understands that the legislature has a difficult task ahead of it regarding the prioritization of critical services to individuals who are supported by, or need support

from, DDS. I fully appreciate the constraints Connecticut is facing in the coming biennium and look forward to developing long term solutions to meeting the many needs of the individuals supported by DDS.

I want to publicly state that the staff at DDS (and I have known many of them in my previous position and also spent a lot of time getting to know them over the last few weeks) are extraordinarily mission-driven. Many DDS staff have spent decades providing quality services to individuals with intellectual disability and doing everything they can to solve problems and provide these individuals with much-deserved opportunities. I commend these staff, they have my utmost respect, and I am honored to work with them.

I also have firsthand knowledge of the many private providers and their staff who dedicate their lives every day to supporting persons with intellectual and developmental disabilities. I want to convey my thanks to these providers and their staff members for all they do and the exceptional care that they provide.

As I mentioned in testimony to the Public Health Committee earlier this week, Connecticut has gained strong momentum in the past few years as various stakeholders, including families and providers, many at the grass roots level, have brought issues that impact persons with intellectual disability to the forefront across the state. For example, the formation of Governor Malloy's Intellectual and Developmental Disabilities Working Group and the creation of the bipartisan legislative Intellectual and Developmental Disability (I/DD) Caucus are a testament to the commitment we all share in taking a fresh look at how services to individuals funded by DDS are provided, and can be improved, in Connecticut. Not only do I thank you for this important work, I commit to partnering with all of you to build on this progress and look for new and creative ways to maximize our resources. Finding ways to be more responsive to the important needs of individuals with intellectual and developmental disabilities and their families is a common goal we share. Together, we have a responsibility to come up with workable solutions, while balancing many equally important competing and compelling needs. I look forward to embarking on this challenge with each of you. Citizens with intellectual and developmental disabilities in Connecticut deserve no less.

Thank you again for the opportunity to offer testimony on Governor Malloy's proposed budget as it relates to DDS. I would be happy to answer any questions that you have for me at this time, and look forward to working with all of you throughout the legislative session.