

2015 MIDTERM ADJUSTMENT SUMMARY

DDS50000 - Department of Developmental Services
11000 - General Fund

Priority	Adjustment Title	2015 Base	2015 Adjustment	2015 Revised	2016 Adjustment - Annualized
	REDUCTION				
1.00	Reduce Advertising Expenses	22,196,100	-4,267	22,191,833	-4,267
2.00	Reduce Family Reunion	121,749	-39,400	82,349	-39,400
3.00	Reduce Supplemental Payments for Medical Services	5,978,116	-700,000	5,278,116	-700,000
4.00	Fill 117 Part Time direct care positions to achieve OT savings	265,451,852	-826,740	264,625,112	-826,740
5.00	Impose general health care efficiencies to the area of Workers Compensation	15,246,035	-3,515,344	11,730,691	-3,515,344
6.00	Eliminate 100% WC benefit for state employees injured under certain Statutory Reference: Sec. 5-142	15,246,035	-336,195	14,909,840	-336,195
7.00	Eliminate Lincoln's Birthday	265,451,852	-313,405	265,138,447	-313,405
8.00	Eliminate Premium Pay for Holidays	265,451,852	-940,000	264,511,852	-940,000
9.00	Eliminate Differential payments to State employees	265,451,852	-5,639,416	259,812,436	-5,639,416
10.00	Delay Services to School Grads	222,857,347	-2,228,932	220,628,415	0
11.00	Reduce Day Rates	222,857,347	-1,869,853	220,987,494	0
	REVENUE				
0.00	ICF Group Home conversion to MFP	0	-2,878,216	-2,878,216	-2,878,216
	TECHNICAL				
0.00	Autism Waiver - Annualized FY14 Costs	32,376,869	1,531,115	33,907,984	1,633,190
0.00	Birth to Three Referrals from DCF	37,286,804	3,968,257	41,255,061	3,968,257
0.00	Cost to Staff Who Drive Handicapped Accessible Vans to Obtain F-Endorsement	22,196,100	15,444	22,211,544	15,444
0.00	Funding for New Autism Waiver - Transfer from DSS	1,637,528	1,000,000	2,637,528	1,000,000
0.00	Home & Community-Based Management System	22,196,100	416,788	22,612,888	416,788
0.00	Sewage Pumping at Southbury Training School	22,196,100	323,000	22,519,100	323,000
	ADJUSTMENT TOTAL	1,704,199,638	-12,037,164	1,692,162,474	-7,836,304

Head of Budgeted Agency (Signature)

Terrence W. Macy, Ph.D.
Terrence W. Macy, Ph.D., Commissioner

October 22, 2013
September 06, 2013

Date submitted

Midterm Adjustments to the FY 2015 Budget - Reduction Adjustment

DDS50000 - Department of Developmental Services 11000 - General Fund

Reduce Advertising Expenses

Joe Drexler
860-418-6015

Priority: 1
Creation Date: 10/18/2013

Description and Reason/Measure of Impact

Eliminate paid advertising when soliciting Requests for Proposals (RFP's) for new provider contracts of Day and Residential Services. Respondents to these RFP's are the result of the RFP's posting via electronic media, not paid advertising. This requires a change in statute.

Financials

Account	2013 Actual	2014 Estimated	2015 Base	2015 Adjustment	2015 Revised	2016 Adjustment - Annualized
10020 - Other Expenses	22,381,746	22,302,444	22,196,100	-4,267	22,191,833	-4,267
Total	22,381,746	22,302,444	22,196,100	-4,267	22,191,833	-4,267

Midterm Adjustments to the FY 2015 Budget - Reduction Adjustment

DDS50000 - Department of Developmental Services 11000 - General Fund

Reduce Family Reunion

Joe Drexler
860-418-6015

Priority: 2
Creation Date: 10/18/2013

Description and Reason/Measure of Impact

Reduce the appropriation in the Family Reunion account to reflect 2 fewer families participating in the program. Agreements with each of the participating families are valued at \$19,700 per year.

There is no impact to families remaining in this program.

Financials

Account	2013 Actual	2014 Estimated	2015 Base	2015 Adjustment	2015 Revised	2016 Adjustment - Annualized
16104 - Family Reunion Program	98,500	82,349	121,749	-39,400	82,349	-39,400
Total	98,500	82,349	121,749	-39,400	82,349	-39,400

Midterm Adjustments to the FY 2015 Budget - Reduction Adjustment

DDS50000 - Department of Developmental Services 11000 - General Fund

Reduce Supplemental Payments for Medical Services

Joe Drexler
860-418-6015

Priority: 3
Creation Date: 10/18/2013

Description and Reason/Measure of Impact

DDS proposes to reduce the appropriation in the above SID to more accurately reflect the anticipated census in FY 2015.

This would be measured by the fee paid on the actual number of residential days of service. There would be no impact to the consumers served by DDS.

Financials

Account	2013 Actual	2014 Estimated	2015 Base	2015 Adjustment	2015 Revised	2016 Adjustment - Annualized
12521 - Supplemental Payments for M	5,734,023	5,978,116	5,978,116	-700,000	5,278,116	-700,000
Total	5,734,023	5,978,116	5,978,116	-700,000	5,278,116	-700,000

Midterm Adjustments to the FY 2015 Budget - Reduction Adjustment

DDS50000 - Department of Developmental Services 11000 - General Fund

Fill 117 Part Time direct care positions to achieve OT savings

Joe Drexler
860-418-6015

Priority: 4
Creation Date: 10/18/2013

Description and Reason/Measure of Impact

117 PT positions equates to approximately 57 FTE's. At an hourly differential for the two position types, \$16.40/hour, for an estimated annual number of hours of 104,540, savings of approximately\$1.7M could be achieved.

Financials

Account	2013 Actual	2014 Estimated	2015 Base	2015 Adjustment	2015 Revised	2016 Adjustment - Annualized
10010 - Personal Services	242,036,768	255,201,408	265,451,852	-826,740	264,625,112	-826,740
Total	242,036,768	255,201,408	265,451,852	-826,740	264,625,112	-826,740

Midterm Adjustments to the FY 2015 Budget - Reduction Adjustment

DDS50000 - Department of Developmental Services 11000 - General Fund

Impose general health care efficiencies to the area of Workers Compensation

Joe Drexler
860-418-6015

Priority: 5
Creation Date: 10/18/2013

Description and Reason/Measure of Impact

Throughout the area of health care cost efficiencies are being addressed. This option would be to address this area in Workers Compensation as well.

Sec. 31-280 (11) (A) Establish standards in consultation with the advisory board for approving all fees for services rendered under this chapter by attorneys, physicians, surgeons, podiatrists, optometrists, dentists and other persons.

The workers' Compensation fee schedule, depending on the service, is higher than that of our Group Insurance providers. Additionally, prescription costs keep driving our medical expenditures upward due new developments in the WC drug market. According to NCCI -Prescription Drugs - Comparison of Drug Costs and patterns of Use in Workers Compensation and Group Health Plans - WC pays roughly 125% of the Average Wholesale Price (AWP) of prescription drugs; Group Health (GH) pays only 72%. Therefore, WC paid 74% more than GH for the same drugs.

Cost Reduction Strategy: set a fee schedule more comparable to that of Group Health Insurance plans for select service and limit the prescription formulary to model the Group Health pricing schedule.

Financials

Account	2013 Actual	2014 Estimated	2015 Base	2015 Adjustment	2015 Revised	2016 Adjustment - Annualized
12235 - Workers' Compensation Clair	15,866,912	15,246,035	15,246,035	-3,515,344	11,730,691	-3,515,344
Total	15,866,912	15,246,035	15,246,035	-3,515,344	11,730,691	-3,515,344

Midterm Adjustments to the FY 2015 Budget - Reduction Adjustment

DDS50000 - Department of Developmental Services 11000 - General Fund

Eliminate 100% WC benefit for state employees injured under certain Statutory Reference:

Joe Drexler
860-418-6015

Priority: 6
Creation Date: 10/18/2013

Description and Reason/Measure of Impact

Allows an injured worker within specific State Agencies to, during restraint activity resulting in an assault by an inmate, client, patient or as a result of a special hazard inherent in such duties, receive the full salary benefit (100% Gross Pay) for a period limited to 260 weeks (5 years). Thereafter, the person is removed from the active payroll and receives 50% of the salary benefit that a person received at the expiration of the 260 weeks. *Note: These benefits are only paid for Temporary Total Disability, therefore if an employee has a work capacity the rate of 75% of net pay apply as under Sec. 31-308.

Cost Reduction Strategy: Eliminate the 5-142 statute since the 31-307 statute accommodates all overtime earned by the employee and is rendered moot once the employee has a work capacity and is covered by the 31-308 statute.

Financials

Account	2013 Actual	2014 Estimated	2015 Base	2015 Adjustment	2015 Revised	2016 Adjustment - Annualized
12235 - Workers' Compensation Clair	15,866,912	15,246,035	15,246,035	-336,195	14,909,840	-336,195
Total	15,866,912	15,246,035	15,246,035	-336,195	14,909,840	-336,195

Midterm Adjustments to the FY 2015 Budget - Reduction Adjustment

DDS50000 - Department of Developmental Services 11000 - General Fund

Eliminate Lincoln's Birthday

Joe Drexler
860-418-6015

Priority: 7
Creation Date: 10/18/2013

Description and Reason/Measure of Impact

Achieve savings by eliminating Lincoln's birthday. The savings would be the cost of regular pay for direct care workers for one day which, if not taken on the day of the holiday, will eventually be taken at another point in time.

This would have to be negotiated with unions and may impact employee morale.

Financials

Account	2013 Actual	2014 Estimated	2015 Base	2015 Adjustment	2015 Revised	2016 Adjustment - Annualized
10010 - Personal Services	242,036,768	255,201,408	265,451,852	-313,405	265,138,447	-313,405
Total	242,036,768	255,201,408	265,451,852	-313,405	265,138,447	-313,405

Midterm Adjustments to the FY 2015 Budget - Reduction Adjustment

DDS50000 - Department of Developmental Services 11000 - General Fund

Eliminate Premium Pay for Holidays

Joe Drexler
860-418-6015

Priority: 8
Creation Date: 10/18/2013

Description and Reason/Measure of Impact

Eliminating Premium pay for holidays would save \$940K. This is arrived at by multiplying the number of direct care position by the typical straight time hourly rate, by seven hours, by the number of premium holidays (New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day).

This would have to be negotiated with unions and may impact employee morale.

Financials

Account	2013 Actual	2014 Estimated	2015 Base	2015 Adjustment	2015 Revised	2016 Adjustment - Annualized
10010 - Personal Services	242,036,768	255,201,408	265,451,852	-940,000	264,511,852	-940,000
Total	242,036,768	255,201,408	265,451,852	-940,000	264,511,852	-940,000

Midterm Adjustments to the FY 2015 Budget - Reduction Adjustment

DDS50000 - Department of Developmental Services 11000 - General Fund

Eliminate Differential payments to State employees

Joe Drexler
860-418-6015

Priority: 9
Creation Date: 10/18/2013

Description and Reason/Measure of Impact

Eliminating Differential payments would save \$5,639,416.

This would have to be negotiated with unions and may impact employee morale.

Financials

Account	2013 Actual	2014 Estimated	2015 Base	2015 Adjustment	2015 Revised	2016 Adjustment - Annualized
10010 - Personal Services	0	255,201,408	265,451,852	-5,639,416	259,812,436	-5,639,416
Total	0	255,201,408	265,451,852	-5,639,416	259,812,436	-5,639,416

Midterm Adjustments to the FY 2015 Budget - Reduction Adjustment

DDS50000 - Department of Developmental Services 11000 - General Fund

Delay Services to School Grads

Joe Drexler
860-418-6015

Priority: 10
Creation Date: 10/18/2013

Description and Reason/Measure of Impact

DDS proposes to delay the average starting date by four (4) months for the FY 2013 budget. The savings projected is \$2,228,932 for FY 2015.

DDS will make every effort to provide services to those individuals with critical needs, but this will have a serious negative impact on both the family and the school graduate who will be left home with no stimulation, habilitation or support to secure a meaningful job. This may lead to more emergency requests for residential placement because families will not be able to provide the supervision needed while they work.

Financials

Account	2013 Actual	2014 Estimated	2015 Base	2015 Adjustment	2015 Revised	2016 Adjustment - Annualized
16108 - Employment Opportunities an	193,834,053	212,763,749	222,857,347	-2,228,932	220,628,415	0
Total	193,834,053	212,763,749	222,857,347	-2,228,932	220,628,415	0

Midterm Adjustments to the FY 2015 Budget - Reduction Adjustment

DDS50000 - Department of Developmental Services 11000 - General Fund

Reduce Day Rates

Joe Drexler
860-418-6015

Priority: 11
Creation Date: 10/18/2013

Description and Reason/Measure of Impact

The Department projects this budget reduction will save \$1,869,853 annually. The reduction will move the Department closer to the objective of creating equity of funding across the private provider system. Without the corresponding increase to the providers below the future rates, this budget reduction could have negative consequences to the provider system as a whole. The implementation of this budget option could result in a reduction of layoff of private provider staff, a decrease in direct care wages, higher turnover rates, higher health insurance premiums for staff, and potentially destabilizing the financial health of the private provider. The providers received reductions as part of last year's budget rescissions and several providers have stopped working with DDS in the past year.

Financials

Account	2013 Actual	2014 Estimated	2015 Base	2015 Adjustment	2015 Revised	2016 Adjustment - Annualized
16108 - Employment Opportunities an	193,834,053	212,763,749	222,857,347	-1,869,853	220,987,494	0
Total	193,834,053	212,763,749	222,857,347	-1,869,853	220,987,494	0

Midterm Adjustments to the FY 2015 Budget - Revenue Adjustment

DDS50000 - Department of Developmental Services 11000 - General Fund

ICF Group Home conversion to MFP

Joe Drexler
860-418-6015

Priority: 0
Creation Date: 10/18/2013

Description and Reason/Measure of Impact

DDS proposes that ICF Homes with a capacity of 4 convert to waiver funding to take advantage of 90% MFP funding for a year.

Providers will most likely oppose a required exit from the ICF program. This would help the state to meet the commitments made when the state received the enhance federal march under the balancing incentive program. This would provide a one year increase in federal revenue estimated at \$2,878,216.

Revenue

	2013 Actual	2014 Estimated	2015 Base	2015 OPM Adjustment	2015 Revised	2016 Adjustment - Annualized
40010 - Revenues	0	0	0	2,878,216	2,878,216	2,878,216
40010 - Revenues	0	0	0	-2,878,216	-2,878,216	-2,878,216
40010 - Revenues	0	0	0	-2,878,216	-2,878,216	-2,878,216
Total Gross Revenue				-2,878,216	-2,878,216	-2,878,216

Financials

Account	2013 Actual	2014 Estimated	2015 Base	2015 Adjustment	2015 Revised	2016 Adjustment - Annualized
Total	0	0	0	0	0	0
Total Net Revenue	0	0	0	-2,878,216	-2,878,216	-2,878,216