

Background Paper
Requested 2005 Budget for Persons With Developmental Disabilities
Dane County Department of Human Services

Overview: Counties in Wisconsin provide services to persons with developmental disabilities (DD services), and Dane County does so through the Adult Community Services Division (ACS) of the Department of Human Services. These services are provided for people who have substantial disabilities due to mental retardation, cerebral palsy, epilepsy, autism, Prader Willi Syndrome, head injuries, or other neurological disorders and who are residents of Dane County. State statutes designate counties as the providers of these services, however, the county's liability is limited to available funding.

The Dane County system of supports for children and adults has been exemplary since the counties accepted responsibility for long-term support for individuals with developmental disabilities. As with other components of the Dane County systems, it has received accolades from professionals (local, national and international) and consumers of services alike.

Currently over 2,300 children and adults are supported by Dane County. The goal of the Dane County DD services system is to help people live and fully participate in our community instead of in institutions. Services include supported living arrangements, employment services, children services, case management to help coordinate services, and other support services such as transportation, counseling, communication aids, mobility training, and respite care. Services are individualized, based on the nature and extent of an individual's disability and their individual/family preferences for service. These services are funded through a combination of County general purpose revenue (GPR) and outside funding sources.

2005 Budget Proposal: The requested 2005 Dane County Department of Human Services' DD budget is increased by \$2.1 million to \$73.4 million of which \$15.1 million is county GPR support (\$15,066,093 in 2005 vs. county GPR support \$15,065,374 in 2004). The increase was made possible because the department was able to identify and capture additional revenues and make reallocations across our department to maintain our high-quality DD system. This increase in DD funding comes at a time when general revenues from State and Federal sources to support DD programs and other critical human services programs continue to be stagnant or declining.

It is important to point out that this increase will assist in maintaining our high-quality DD system to the 2,300 current participants, but will not provide support to any new individuals (except as existing consumers leave our DD caseload) or increase support to current participants in 2005. Adult and children's DD providers are proposed to receive a reduction in payments of less than 1% (.95%). The department's requested budget does provide \$240,000 to DD service providers to support compliance with the County Living Wage Ordinance. For many of the agencies, and for the DD system as a whole, the addition of the living wage allocation and other funding will mean no reduction in county GPR support.

Background: In 2004, the combined adult and children's DD budget is more than \$71.3 million of which more than \$15.1 million is county general-purpose revenue (GPR) support. The investment in DD services is easily the largest single investment in any service that Dane County makes.

There are a number of specific federal-state funding sources for DD services, most notably, the Medical Assistance waiver programs generally called the Community Integration Program (CIP) and the State's

Community Options Program (COP). Currently, the DD system is 65% dependent on the Medical Assistance programs, most notably the CIP 1B program.

Unfortunately, the Medical Assistance programs have not kept up with inflation. Since 1992, the State portion of the CIP 1B program has increased a mere \$0.96 per day. That coupled with the federal share yields an increase of less than 5% over a 12 year period (from \$47.38/day to 49.67/day). In order to maintain our current level of service, the County has provided the match (42%) to pull down the federal portion (58%). As the State has decreased overall funding to counties, Dane County's ability to continuously backfill the lack of reimbursement from the State has been compromised.

Approximately 900 people with developmental disabilities receive funding through the CIP 1B Medical Assistance Waiver program. In 2004, Dane County expects to spend an average of around \$152 per person per day to serve these individuals (these figures represent the total of all funds--State, Federal and Dane County). That level of investment in services to adults with developmental disabilities is nearly double the statewide average. Dane County expects to maintain its average daily spending for 2005 at approximately the same level as 2004.

Dane County's level of DD services is high because we provide comprehensive services, including many services other counties don't provide.

Individuals with disabilities may also access additional support from the regular Medical Assistance funding, Supplemental Security Income and Social Security Disability Insurance (SSI/SSDI), and services of the Division of Vocational Rehabilitation.

Most people with developmentally disabilities are eligible for cash payments from SSI/SSDI. These cash payments typically are applied to cover the costs of room, board, and personal spending. The CIP/COP programs support the individualized services needed beyond basic living expenses. DVR will help individuals find employment (with funding typically covering up to 6 months). Each of these programs has its own eligibility criteria, and will pay for a specific package of services to meet an individual's needs, up to an allowable limit.

The Department develops its Developmental Disability Services budget based on a schedule that identifies individual consumer service requirements. The cost of these service requirements are then offset by all available federal-state funding sources to meet those requirements, with County general funds applied to the required services not funded by outside revenues. Sometimes, federal-state programs cover all of the cost of an individual's services. More often, the federal-state funding does not pay the full cost. A typical new adult case (where 24 hour support is needed) will cost \$72,000 per year. This is typically funded by 60% outside funding and 40% County general funds (although individual case costs and funding arrangements differ).

Costs exceed specialized program revenues as consumers are often in need of highly intensive services and the state/federal reimbursement has not kept abreast of inflation. The CIP/COP reimbursement rates are considerably less than the cost of services required.

Categories of Service: Generally, adults have entered our Developmental Disabilities Services system for one of the following reasons:

- 1) Court Ordered Placements: Every year, ACS is ordered by the courts to serve a number of adults with disabilities (developmental and other) as protective placements in the community. The court reviews protective placements annually to determine if persons are served in the least restrictive setting appropriate to their needs. If found not to be in the least restrictive setting, the specific services are mandated by the court. The majority of cases involve requirements for vocational and residential placements that the Department provides through purchase of service contracts. These individuals are typically very high cost, requiring significant staff support to either keep them or the community safe.

The County will invoke the “Shield Law” which protects counties from un-funded court mandates and consequently, in 2005 no new Court Ordered Placements are budgeted that are not totally funded by outside sources. However, some recent court decisions have not allowed counties to refuse support even if the service costs exceed State and Federal reimbursement rates.

- 2) Crisis Placements: The majority of costs for individuals under both Annualizations and New Caseloads have been for individuals the Department found “In Crisis”. Typically, these are situations where the primary caregiver for various reasons (e.g. physical, emotional or psychological incapacity, death) can no longer provide support to an adult with developmental disabilities and the consumer is at risk as a result. As a greater number of parents are reaching old age, the Department has experienced a marked increase in demand for service in prior years. Additionally, the individuals in these “crisis” situations have had more significant disabilities as parents have kept their children at home as opposed to childhood institutional placement, as was the practice in the past. As these parents reach an age where they can no longer provide the necessary physical support, they petition the County for assistance, most typically, for out of home placement.

The Department occasionally serves individuals from the service waiting list to provide a roommate for these residential placements. As the costs for the residential placement are shared and as the County can usually access additional state-federal funds for these individuals, roommate matches are a cost-effective way to serve persons with disabilities in the community.

Services to this category of persons are not required. Consequently, in the department’s 2005 budget request, no new Crisis Placements will be made that are not totally funded by outside sources.

- 3) Acquired Brain Injuries: After an individual acquires a brain injury and is to be discharged from the hospital, recommendations are typically made for the individual to enter a Medical Assistance funded Acute Care inpatient rehabilitation program. Prior to entering the Acute Care program, the Medical Assistance program requires the Acute Care program and the County to enter into an agreement for discharge planning, in order to assure continuity of service and prevent the loss of skills gained after discharge. The discharge plan encumbers the County to guarantee long-term support to the individual. Consequently, before a consumer can receive rehabilitative services post injury, such as Physical, Occupational and Speech Therapy, the County must make a financial commitment for long term funding. Beginning in 2005, the County will no longer guarantee long-term support services unless the supports can be totally funded by outside sources

- 4) Service Continuity: Every year a number of children reach their 18th birthday while in foster care. These children are transferred from the Children, Youth and Family Division to ACS's Developmental Disability system. ACS becomes responsible for the adult family home payments, case management, and respite services.

Also, each year a growing number of individuals currently receiving services have an increased service need due to medical, psychological, or behavioral issues. This may be short-term support (such as in-home support following a hospitalization or temporary support during employment transition until a new job is acquired and learned), or long-term support (such as a need for overnight awake staff due to somatic distress or live-in support due to the onset of Alzheimer's disease). These individuals are typically under the CIP/COP programs, which pay for the majority of the increase costs.

Service continuity is generally a required condition of the CIP/COP program, but there is flexibility in the extent to which services are augmented. County staff approves services only when there is a clear and specific need. For this next year, County staff will not approve any services not funded by outside sources.

- 5) High School Graduates: It has been County practice for a number of years to assume the costs of vocational placements for individuals with developmental disabilities graduating from high school where other services/funding is not available. The State's Division of Vocational Rehabilitation (DVR) funds the majority of the graduates for the first few months of service (ranging from 3 to 6 months) in a typical year. The ACS provides continuous funding after DVR funding ceases. ACS has also provided funding for those graduates needing support above the DVR reimbursement rate. Service to this category of persons is not required. Consequently, in 2005 no new High School graduates will be served that are not totally funded by outside sources.

Annualizations and New Caseloads: Annualizations and New Caseloads represent the typical annual increase request for persons with developmental disabilities. Developmental disabilities are life long in nature and typically require life long support. As the demographics indicate, many more individuals are (and will be) in need of support than individuals who no longer need support due to death or moving out of county. This is a result of medical technology and the increased population of Dane County. Until the demographics change, the Developmental Disabilities system will need to seek additional funding while searching for and examining new ways of providing cost-effective supports.

Annualization Costs

- Annualization costs are the result of individual consumer participation in services at some point other than the first month of the year. It is the amount necessary to add to the present year's base budget to realize a full year's cost. For example, if an individual starts an ACS funded program in July of a given year, an agency is awarded funds to their base contract only to provide six (6) months of support. To fully realize the annual cost for this individual, another six (6) months of support funding needs to be added to the base contract for the following year.
- For 2005, Adult Community Service is requesting \$499,000, all of which is outside revenue to fund the Annualization costs of people who began their services after January 1, 2004. It

is anticipated that by leveraging Medicaid Waiver funds with existing County GPR support and cost savings as a result of individuals leaving our system, either through relocation or due to death, no additional County GPR support will be required.

New Caseload

- Up through this year, the County has routinely provided additional County GPR support to leverage additional Medicaid Waiver revenues to fund the categories of need outlined above. In 2004, in order to fund additional caseload, payments to the provider community were decreased and those savings were applied to new caseload. Again, for this upcoming year the department is faced with decreased funds and it no longer appears to be reasonable or feasible to further decrease payments on behalf of individuals already receiving services in order to serve additional caseload. Consequently, the department recommends no new caseload in 2005, unless the individual can be totally supported by outside revenues. It is unknown, at this time, how many (if any) new individuals will be supported in 2005.

Projected Costs of New Caseload: Below is a prioritized list of services that were not funded for 2005. Via attrition from the current caseload, Dane County expects to be able to serve about nine (9) individuals with service continuity or crisis placement needs. The needs and costs of these nine individuals are not included in the cost estimates below.

Include Caseload funding for Service Continuity.

Based on past experience, we can anticipate at least 18 individuals who are currently being served will need increased support due to a decline in health or other factors. Typical cost for these individuals is about \$26,000 annually. As not all individuals will require a full year of service, we calculate the cost for 2005 to be: FISCAL EFFECT \$240,654 of which \$100,100 would be COUNTY GPR. As a result of Annualization, the 2006 funding requirement would be the same additional amount.

Include funding for Crisis Placements

Based on past experience, we can anticipate at least 8 individuals will meet our criteria for Crisis Placement. Typical cost for these individuals is about \$66,000 annually. As not all individuals will require a full year of service, we calculate the cost for 2005 to be: FISCAL EFFECT \$263,654 of which \$109,667 would be COUNTY GPR. As a result of Annualization, the 2006 funding requirement would be the same.

Include funding for Acquired Brain Injury

Based on past experience, we can anticipate at least 2 individuals requesting long-term support for an acquired brain injury. Typical cost for these individuals is \$81,700 annually. As not all individuals will require a full year of service, we calculate the cost for 2005 to be: FISCAL EFFECT \$81,700 of which \$33,976 would be COUNTY GPR. As a result of Annualization, the 2006 funding requirement would be the same additional amount.

Include funding for High School Graduates

Based on current high school records, we anticipate 40 individuals requesting post high school support. Typical cost for these individuals is \$15,500 annually. However, as DVR contributes \$4,300 per graduate in the first year, and as these services do not begin until June, we calculate the cost for 2005 to be:

FISCAL EFFECT \$361,700 of which \$78,906 would be COUNTY GPR. As a result of Annualization, the 2006 funding requirement for the COUNTY GPR would be \$181,000.

Include funding for Court Ordered Placements

Based on past experience, we can anticipate at least 2 individuals requesting long-term support under a court order. The estimated cost for these individuals is \$200,000 annually. As not all individuals will require a full year of service, we calculate the cost for 2005 to be: FISCAL EFFECT \$200,000 of which \$58,519 would be COUNTY GPR. As a result of Annualization, the 2006 funding requirement would be the same additional amount.

The total 2005 cost for these five categories would be \$1,147,708, of which \$381,167 would be COUNTY GPR.

Conclusion

In a period of continuing fiscal challenge in the human services area, the department has maintained its high level of DD services to individuals in Dane County.