

THE FUTURE OF STATE DEVELOPMENTAL CENTERS 2015 MAY REVISION

Overview

Since the passage of the Lanterman Developmental Disabilities Services Act (Lanterman Act) in 1969, the role of the State-operated Developmental Centers (DC) has been changing. No longer are DCs the only alternative available to families of children with intellectual and developmental disabilities who are unable to be cared for at home. A system of community alternatives has developed and now serves approximately 290,000 consumers. Today, providing services in the least restrictive environment appropriate for the person is strongly supported by state and federal laws, and court decisions. Additionally, the trailer bill to the Budget Act of 2012 (Assembly Bill [AB] 1472, Chapter 25, Statutes of 2012) imposed a moratorium on admissions to DCs except for individuals involved in the criminal justice system and consumers in an acute crisis needing short-term stabilization. The DC resident population has dropped from a high of 13,400 in 1968, to a projected total of 1,035 in 2015-16.

Given these changes in the system, efforts have been underway to reconsider how services should be provided to the populations currently served in the DCs, and what role the State should have in providing those services. In 2013, the Secretary of the California Health and Human Services Agency established the “Task Force on the Future of the Developmental Centers” (DC Task Force) to develop a master plan for the future of DCs that addresses the service needs of all DC residents and ensures the delivery of cost-effective, integrated, quality services for this population.

In the “*Plan for the Future of Developmental Centers in California*,” issued January 13, 2014, the DC Task Force recommended that the future role of the State should be to operate a limited number of smaller, safety-net crisis and residential services. Additionally, it was recommended that the State should continue serving individuals judicially committed to the State for competency training (the Porterville DC—Secure Treatment Program [STP]) and providing transition services (the Canyon Springs Community Facility). The DC Task Force also recommended developing new and additional service components, including development of enhanced behavioral supports homes (EBSHs) and exploring utilization of DC assets to provide health resource centers and community housing through public/private partnerships.

The process of transforming the DCs and developing specialized community resources, while supporting the transition of each DC resident into integrated community settings, will take time. As the population in the DCs has declined, the average acuity level has increased considerably. Each person has his or her own unique set of significant and complex needs, often requiring specialized medical and/or behavioral services. The Lanterman Act ensures those needs are properly addressed using a person-centered approach, and personal quality of life is supported. Key components of effective planning for an individual’s future and successful transition to another service model, as recognized by the Task Force, include:

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- A comprehensive person-centered Individual Program Plan (IPP), developed through a robust Interdisciplinary Team process;
- The development of quality services and supports delivered in the least restrictive environment possible, taking into consideration the comprehensive assessment and consistent with the IPP;
- Priority for the health and safety of each person;
- Access to health and mental health services, including coordination of health care, access to health records, and medication management; and
- Recognizing that, for the residents of the DCs, the DC is their home and community, where their relationships are, and where they have lived for many years. Changes in their living arrangements must be done very carefully, with thorough planning and by investing the necessary time.

While the focus of the DC Task Force was on the future of the DCs and how to best serve the DC residents going forward, continued implementation of the various recommendations will provide long term improvements in community services that will benefit the service system generally.

Developmental Center Closure Timeframes

Since the *Plan for the Future of Developmental Centers* was released, portions of the Sonoma Developmental Center (SDC) were found to be in violation of federal requirements and the state was notified that the federal funds for those units would cease. At this time, the state is in the process of negotiating a settlement with the federal government to continue federal funding for SDC for a limited amount of time.

Consistent with the recommendations of the *Plan for the Future of Developmental Centers in California* and the call for the transformation of DC services, the May Revision proposes to initiate the closure planning process for the remaining developmental centers. This closure planning process includes the initiation of stakeholder meetings and a public comment period. The Department will submit a closure plan to the Legislature on October 1, 2015 with the goal of closing SDC by the end of 2018.

The May Revision also proposes the future closures of Fairview Developmental Center (FDC) and the non-secure treatment portion of Porterville Developmental Center (PDC), with the last closure ending in 2021.

Proposed Costs and Trailer Bill Language (TBL) for 2015-16

The closure of each developmental center will require additional community resources to develop placement options and services for the developmental center residents who will transition into the community.

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Each fiscal year the Department budgets Community Placement Plan (CPP) funds for developing resources in the community as an alternative to institutional care, including the development of new and innovative service models. The primary purpose for the

funding is to reduce reliance on DCs, certain mental health facilities that are ineligible for federal funding, and out-of-state placements (AB 1472, Chapter 25, Statutes of 2012). The CPP is used to fund the development and start-up of residential resources, day programs and other ancillary services and supports, as well as costs to transition (or deflect) an individual from institutional care into the community. The funds also support the comprehensive assessments of DC residents from which regional centers estimate service needs.

Annually, based on the particular needs of their consumers compared to the services that already exist in their catchment areas, regional centers propose the development of new projects and resources using CPP funds. Two or more regional centers may also partner and propose regional projects for statewide use, usually addressing specialized services for individuals facing particularly complex challenges. After thoroughly considering each proposal, the unique circumstances of the regional center, and statewide priorities, the Department allocates the funds to regional centers for approved projects.

The Task Force recognized the CPP funds as the primary funding source needed to meet the future needs of DC residents, and that greater community capacity and specialized resources are needed. The Task Force specifically recommended the development of more Adult Residential Facilities for Persons with Special Health Care Needs (ARFPSHN, also referred to as Senate Bill [SB] 962 or SB 853 homes) in the community to serve individuals with enduring medical needs, estimating that approximately 315 DC residents would require this level of care in the future. The Task Force also recommended development of new EBSHs and new short term community crisis homes, as well as other supports, through the CPP process to meet the needs of individuals with challenging behaviors in the community.

A. Additional CPP for Start-Up and Placement

1. Additional CPP funds are requested in the 2015-16 May Revision. The Department requests \$49.3 million (\$46.9 million General Fund) for 2015-16 to begin development of community resources to support the transition of residents from SDC to the community in anticipation of the SDC Closure plan. These resources would fund the initial development of homes to support consumers, provide additional training, and develop additional programs such as: supported living services, crisis services, and transportation support and services. This funding will also be used for placement expenditures and state and regional center coordination of the closure, including regional center operations. Specifically, DDS proposes \$46.7 million for start-up and placement, \$1.3 million for regional center coordination and \$1.3 million for state coordination.

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2. Within the regional center operations budget, the Department plans to work with the Northern California regional centers that have individuals residing at SDC, to determine utilization of regional center positions to assist with the development of community resources that will meet the unique and specialized needs of their consumers. To assist in the immediate development of the community resources, it is anticipated that the following types of regional center positions (estimated at 18 positions for 2015-16), as well as related indirect costs, will be funded in 2015-16:

- resource manager
- resource developers
- behavior specialists
- housing specialists
- nursing specialists
- health plan liaison
- dental coordinator
- quality/risk management specialist

It is anticipated that an average of nine months of annualized salary and related indirect (or administrative) costs would be projected for 2015-16 in CPP Operations at the cost of \$1.3 million.

B. Staffing Support

1. As proposed in the Governor's budget, reauthorization of the 5.0 HQ positions for Lanterman DC closure for statewide DC closure support activities.
2. A May Revision Budget Change Proposal to establish 7.0 positions in the Community Services Program at DDS to support increasing housing capacity for the SDC closure and funds to reimburse the Department of Social Services DSS) for 1.0 licensing position.

C. Trailer Bill Language (TBL)

1. The Department is proposing TBL to allow the Department to move forward with allocating funds and starting the development of community resources for SDC in advance of the more detailed, statutorily required Closure Plan that will follow the SDC closure announcement.
2. In keeping with the recommendations of the Plan for the Future of Developmental Centers, additional CPP funding has been prioritized for development of the EBSHs and the community crisis homes to meet the needs of individuals with challenging behaviors. The Department is requesting to remove the limit established in statute regarding the authorized number of EBSHs to be developed per CPP cycle for the purpose of DC closure. Currently, six homes annually can be approved for development through CPP. It is recommended

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statute be amended to eliminate the defined number of homes allowed for development through CPP, while maintaining the program's pilot status.

3. Additionally, it will be necessary to provide authority for the Department and DSS to develop and license all Delayed Egress Secured Perimeter (DESP) homes without requiring eligibility for federal Medicaid funding.

Future Fiscal Issues

A. Additional CPP

DDS will continue to monitor the CPP budget to determine adjustments needed to implement the closure plan for SDC.

B. Monitoring and Oversight

1. On-site monitoring and oversight may be needed during the closures, as well as continued implementation of the plans of action and technical addendums, to ensure continued compliance with federal requirements throughout the closure process.
2. Additionally, the Department recognizes the need for a comprehensive Quality Management System (QMS) to track quality services and supports for each individual transitioning from a developmental center into the community. The California QMS is based upon the Centers for Medicare and Medicaid Services' (CMS) Quality Framework and is designed to achieve quality outcomes for each individual in the service system. To implement the existing QMS, regional centers have active quality assurance departments whose staff works to recruit, train, and monitor providers, and work to improve service quality.

Stakeholders will be engaged to review existing Quality Assurance systems and provide recommendations specific to each closure, as well as review outcomes data specific to individuals moving from developmental centers. One source of data will be the National Core Indicator (NCI) Consumer Surveys. The NCI measures consumer and family satisfaction and personal outcomes such as health, safety, well-being, relationships, and interactions with people who do not have a disability, employment, quality of life, integration, and choice.

C. Support Staff

1. DDS staff is proposed to provide technical assistance and oversight in the development of resources and will monitor transition activities. Additionally, due to the need to develop additional licensed settings, it is necessary to add 1.0 Licensing Program Analyst (LPA) for the first fiscal year and up to two

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additional LPAs in future years, through an interagency agreement with DSS, to meet the immediate workload.

D. Use of DC Land and Resources

1. The Department will engage stakeholders consistent with the Task Force recommendations. In particular, the feasibility of using DC land to develop community housing through public/private partnerships will be evaluated.
2. Consistent with stakeholder and legislative requests to identify public/private housing partnerships on DC land, TBL is being proposed to continue work on the Shannon's Mountain integrated housing project at FDC.

Issues of Note

Coordination between the Department, Department of Health Care Services and CMS's Medicaid office will be necessary to provide statewide, standardized and expedited enrollment, as well as the availability of appropriate managed care services from affected health plans for all individuals moving out of a developmental center.