

**DEVELOPMENTAL SERVICES TASK FORCE
PUBLIC MEETING ON BRIDGE FUNDING
MEETING SUMMARY**

Wednesday, August 29, 2018 – 10:00 a.m. to 1:00 p.m.

**California Department of Healthcare Services Annex Building
1700 “K” Street, First Floor Conference Room
Sacramento, CA 95814**

WELCOME AND INTRODUCTIONS

Nancy Bargmann, Director of the California Department of Developmental Services (Department of DDS) welcomed everyone to the meeting. Director Bargmann explained the meeting will have a breakout component to discuss various options and provide input as to how the Department should divide up the approximately \$40 million total funding (\$25 million General Fund) that’s available to “bridge” vendors until the Rate Study is released in March of 2019. The breakout groups were assigned to bring together family members, consumers, service providers, regional centers and advocates to collectively discuss barriers, challenges, concerns and offer recommendations. The participants on the phone also have an opportunity to participate in a breakout group to share their comments and input for the discussion.

After self-introductions, Director Bargmann turned the discussion over to Jim Knight, Assistant Deputy Director, Office of Federal Programs and Fiscal Support for DDS, to review the packet of information that was distributed to attendees and those participating by phone. The materials included different funding scenarios with six potential options for the group to discuss in the breakout session.

During the review of materials, comments were made on:

- Consideration of low cost areas
- Rate freeze and negotiated rates
- Personal Care Rates
- ABX2-1 and minimum wage increases
- Median rates and transportation

Once the review of the materials was complete, the group breakout discussions began, and after about an hour of discussion, each group was asked to present a summary of common themes, priorities and recommendations.

PHONE COMMENTS

The majority of this group’s discussion was surrounding the potential inadequacy of the bridge funding, the need for genuine rate reform and the barriers and frustrations providers are feeling. There were mixed concerns about targeting services codes and excluding day programs, Independent Living Services (ILS) and respite. Some felt there were services not represented like personal assistance, Supported Living Services

(SLS) and transportation. A priority for the group of individuals on the phone was to look at areas where the funding was intended, not just high-cost areas, but areas that were affected by local minimum wage. Many funding options were discussed; the group offered options like targeting areas that are either high-cost or heavily impacted with the minimum wage, targeting specific service codes; targeting high-cost areas regardless of service codes; and those with payment rates below the permanent rates or below the temporary median rate structure (below level 4).

GROUP 1 COMMENTS

The priorities for this group are housing, transportation and employment. They encouraged making a meaningful impact in targeted areas and helping those who are living in the community. This group was not interested in Options 1, 2, 3, and 4 but could reexamine these possibilities if needed. Their discussion was mostly focused around Option 5 and 6, with more group members leaning towards Option 6.

GROUP 2 COMMENTS

This group discussed programs at or below the median or frozen rates, as well as the ARM rates. Day services and residential services are critical for people regardless of where they live. Providers have varying rates, based on when they opened, so they may have a low rate, but be in a high-cost area or vice versa. This group also discussed the option to hold off on issuing the funds until the next budget cycle, or until the Rate Study is complete, to align with those funding recommendations since the bridge funding is a one-time funding distribution.

GROUP 3 COMMENTS

One of the areas of focus for this group was what equitable distribution looked like and how money could be distributed to support all of the necessary services, not just those in a particular area. This group noted that people served by providers have the same needs in every area, high-cost or low-cost, and those services need to be considered equally. One option offered by this group was to look at the original distribution percentages of ABX2-1 funding and come up with a median percentage that was given. If providers received a higher distribution before, they would be given a lower distribution now and vice versa – an inversion of the ABX2-1 funding. There were also discussions about focusing on specific service codes that are the most imminently at risk of closure due to lack of rate increases, excluding those that received higher percentages of ABX2-1 funding and looking at both high-cost and low-cost areas and their impacts across the whole state.

NEXT STEPS

Director Bargmann summarized what was heard for the day and recognized the barriers and challenges expressed. From sitting in on discussions with the groups, she understood that Options 1, 2 and 3 should be removed from the discussion, but look at reworking Options 1 and 2 based on the ABX2-1 inversion recommendation from Group 3. Priorities varied among services and service types, but the majority were services for

individuals like residential, day programs and transportation. The Department will also look at a scenario for services that fall below temporary rates, or the median rates.

There was further discussion from Kris Kent, Assistant Secretary, California Health and Human Services (CHHS), about the ABX2-1 inversion funding recommendation. The intent of that recommendation is to ensure the funding is equitable and going to the areas in the most crisis. An inversion might not be the actual strategy, but it is a good starting point. The Department should look at the most expensive options for the state to redevelop and consider funding those services.

PUBLIC COMMENT

Director Bargmann closed out the meeting by opening up the discussion for public comment. The public's closing comments are summarized below:

- None of the scenarios discussed today would jeopardize federal matching dollars; a high percentage of individuals under the service codes in the scenarios presented will receive federal matching monies. This funding will also benefit some of those not on the waiver.
- The timeline for Bridge Funding will be dependent on the application process
- The comments shared today will be communicated to Burns & Associates as they work through the Rate Study
- It was noted that today's discussion was mostly about geographic and service type equality and speculation on whether the Department is going to make a uniform distribution across the board
- Regarding the recommendation to delay the funding, it seems to give the wrong message to the Legislature – "this emergent funding isn't really that urgent."
- It was suggested that the highest priority for funding should be for those services that will receive the most significant impact and to not delay the distribution of funds
- Some individuals felt that a small amount of money can be significant, so don't underestimate the impact of an equitable distribution to everyone
- Future state minimum wage increases are barriers for those that already received ABX2-1 funding and be mindful that there's a broader need
- Don't drift too far from the original intent of the funding to address local minimum wage
- Prioritize services that are critical for people's health and well-being like residential services, nursing and transportation, providers that can't pay the local minimum wage
- Get the funding out quickly to those in crisis or at risk of "closing their doors", however there was no consensus on who currently faces this risk
- It comes back to equitability for those providers trying to do the right thing for employees by paying above minimum wage and offering sick time
- Transportation in rural areas is important because mass transit isn't always an option in remote areas
- Incentivize good behavior and good outcomes for providers

- In high-cost areas, funding doesn't go as far and there is a high staff turnover because employees can't afford to live in the city where they work
- These funds will not address and meet the needs of the agencies in high-cost areas and won't significantly or positively impact all of the other issues discussed – only rate reform will address all of this
- Everyone has competing needs with a small pool of funds, so having a long-term solution is important

At the close of the final public comment period, the meeting adjourned.