

**DEVELOPMENTAL SERVICES TASK FORCE:  
STRENGTHENING THE COMMUNITY SYSTEM**

**Friday, June 5, 2015 – 10:00 am to 3:00 pm**

**California Department of Social Services – Auditorium  
Office Building 9, 2nd Floor  
744 P Street  
Sacramento, CA 95814**

**MEETING SUMMARY**

**WELCOME & INTRODUCTIONS**

Diana S. Dooley, Secretary of the California Health and Human Services Agency (CHHS), welcomed meeting attendees including Task Force members and public participants, both in the room and on the telephone, as well as staff involved with supporting the work.

After introductions, the Secretary identified her plan to start the meeting with some context around the Governor's announcement to develop closure plans for the state's remaining developmental centers, followed by an overview and discussion of the May revision budget, an update on the implementation of the Developmental Centers (DC) Task Force recommendations, then after lunch, a review of workgroup products and discussions, closing with public comments.

**CONTEXT OF GOVERNOR'S ANNOUNCEMENT**

Announcing the development of closure plans for the three remaining developmental centers is due to a variety of reasons. Not only was the decision based on the recommendations of the DC Task Force Report; laws and society have moved away from large, congregate living settings. Additionally, the state continues to have difficulty maintaining certification requirements at the DCs.

Though able to make improvements at the DCs, we still have challenges in meeting the standards, as enforced by the federal government, for all DC facilities. Federal funding has only been extended in 2-3 week increments, with the last extension for Sonoma Developmental Center (SDC) in effect through July 1, 2015. The state is currently very close to an agreement with Centers for Medicare and Medicaid Services (CMS).

Moving forward, we have to thoughtfully plan for a future without large, aging institutions in California. Working within existing resource demands, how do we assess and thoughtfully plan for service needs in the community, not just for DC residents, but also for the over 280,000 people receiving services under the Lanterman Act?

Secretary Dooley acknowledged the disappointment that the May Revision budget did not address rates or caseloads and reminded participants that the state has severe resource constraints. California has more need than we have resources to meet. Constitutional requirements for increased state revenues limit our options. As advocates for people who have needs, it is important that the members of the Task Force keep looking to identify alternative sources of revenue. We have to prioritize needs, so that as funds become available, we spend them in the most responsible way possible. As an administrator, Secretary Dooley must balance needs over all areas of government that fall under Health and Human Services. It is necessary to reform how services are delivered in the community.

Secretary Dooley then addressed the announcement of the state's intent to develop closure plans in the May Revision budget. SDC is proposed to be closed by the end of 2018, followed by Fairview Developmental Center and the general treatment area of Porterville Developmental Center over the next 6-7 years. She noted that the announcements are not the actual closure plans, a closure plan is a specific, detailed document with parameters and stakeholder engagement outlined by state law. For SDC, there is a very ambitious timeline to turn around a closure plan by October 1, 2015. Nothing about this work affords us the time we'd like to achieve these goals. The combination of pressures faced requires us to go the extra mile to meet these timelines. Concurrent with the development of the closure plan for SDC, we will work side by side with the Sonoma Coalition to develop a plan for the physical plant and site of SDC, recognizing its tremendous value to the Sonoma community.

The closures are a massive challenge. Secretary Dooley is committed to being a partner to set a future for people at SDC, FDC, PDC and throughout California to let people live as comfortably, safely and compassionately as we can, together.

### Discussion Items

- Participants appreciated the sensitivity and candidness of Secretary Dooley's comments and acknowledged the big changes the system is facing.
- Clarity on the timelines for the closure plans, legislative approval and ability to move forward on different items was requested. It was confirmed that a closure plan for SDC will be developed by October 1, 2015.
- Legislators will be engaged throughout the closure planning process, so there shouldn't be any surprises that would keep them from approving the closure plan that will be built for SDC.
- Legislative support for keeping the DCs open is minimal, if any at all, but there is a lot of understanding and empathy throughout the system (CHHS, DDS, Regional Centers, advocates, etc.). We should be encouraged by the progress made; it is a new time in the system.
- The devil is in the details, and there will be a lot of details as we move forward.

- Significant concerns for the community system were expressed, especially in light of the Secretary’s summary that indicated the increased revenue the state has been seeing is already spoken for. Do we need to shift gears as a community and take a different approach to set ourselves apart as a constituency that can effect positive change?
- It was confirmed that the May Revision budget does not include any changes to address critical needs in the community, though it does make an investment of about \$50 million in Community Placement Plan money to start preparing for the closure of SDC.
- It was asserted that the Governor and legislature need to support people coming out of the DCs with funds. It is very important they support the community services system.
- With the DC Task Force, there was recognition that there will be an on-going need for the state to provide short-term, or longer-term, “can’t say no” options.
- Investments in the community are necessary to ensure that there will be the community-based providers needed to move people from DCs and serve adults in the community (especially the growing population with autism) when they can no longer be supported in their family homes.
- Is there a possibility of establishing a unified budget before the DC closures to keep money in the system?
- Unfunded mandates, such as overtime requirements, are a big problem and need to be avoided.
- There’s a need to support creative ideas and innovation, one example being the self-determination program.
- Most residents of SDC have lived there a long time and may not want to go to the community. What will happen to these individuals, especially the ones in wheelchairs, as SDC closes?

## **MAY REVISION OVERVIEW & DISCUSSION**

John Doyle, Chief Deputy Director, DDS, then walked everyone through the structure of the budget proposal. The main proposal is the closure of the remaining DCs. \$49.3 million was allotted to initiate closure activities for SDC. \$1.3 million of that is for the RCs, \$1.3 million is for DDS and about \$47 million is for startup and placement costs. These figures reflect what DDS estimated would be necessary for Fiscal Year (FY) 2015-16. As DC closure plans come together, additional funds will be looked at annually. Homes are developed based on assessments of residents’ needs.

DDS and Regional Centers (RCs) will be developing SB 962 homes (“962 homes,” or Adult Residential Facilities for Persons with Significant Healthcare Needs – “ARFPSHNs”) specifically for SDC. There are tentative plans to develop about twenty

962 homes in addition to what's already in process. A total of thirty-three 962 homes will be developed for SDC.

It is important to note that if you look at the FY 2014-15 budget and what's proposed now, the budget has increased by \$700 million – a significant investment in our system. The May Revision also includes some adjustments for the overtime issue referenced earlier in the meeting. For budget year, \$43.3 million is built in for overtime should the rule take effect. It is difficult to know if that will be enough, the amount is based on an estimate.

### Discussion Items

- It was urged that everyone currently in a DC be considered as “being under closure,” so Title 17 enhancements applied to people moving from Lanterman Developmental Center will be applied to everyone currently in a DC, not as each closure plan is developed. This will help ensure that placements won't slow down as people wait to be included “under closure.”
- Local minimum wage changes need to be part of “the fix.”
- Are there ways to incentivize providers to use the Community State Staff Program (CSSP)?
- Consideration of innovations will be part of closure planning.
- Make sure DC families hear about, and understand, what Supported Living Services (SLS) is. SLS can work well for people with significant behaviors, but affordable rents can be a significant barrier to using SLS, especially in the SDC area. Can a home be purchased that can provide subsidized rents?
- Now that closure of all the DCs has been announced, SDC staff need to be incentivized to stay on as employees to ensure the safety of the people served at SDC.
- A workgroup specific to overtime requirements and issues was suggested.

### **UPDATE ON IMPLEMENTATION OF DC TASK FORCE RECOMMENDATIONS**

John Doyle, DDS gave a brief overview of the handout titled “*DC Task Force Recommendations and Follow-Up*” that details progress made on each of the six recommendations made by the DC Task Force in their January 2014 final report. Statewide stakeholder meetings in 2014 have informed the progress made to-date and the development of regulations for new models of care.

### Discussion Items

- Participants asked for an update on the status of the Enhanced Behavioral Support Homes (EBSHs) and were informed that draft regulations should be out

in the summer and that plans were moving forward for this model of care. Families would like to visit an EBSH and see this model of care in operation.

- Given the budget item preventing the admittance of adolescents to PDC, it was asked where do they go if they can't go to PDC? The Department answered that they will be looking at the new models of care to meet this need, such as EBSHs and Secure Perimeter/Delayed Egress homes.

At this point in the meeting, Secretary Dooley invited the public to comment on items discussed so far. The following section summarizes the key points made by members of the public that addressed the Task Force.

### **PUBLIC COMMENT**

- Many members of the public echoed concerns about the underfunding of the community services system, as discussed by members of the Task Force earlier in the day. The community is unified in asking for a 10% across the board rate increase until more permanent solutions can be identified. Urgent response to the needs of the community system of care is necessary, rate improvements need to be fast-tracked. Median rates are a significant problem.
- The community was “left out of” the May Revision budget, despite being in a real crisis and hundreds of thousands of people working in the community that need help.
- The Legislature has asked for a plan to close SDC, but there is a population of people in the community who have been deflected from DCs, or not allowed admittance. The closure plan for SDC should include people who are in alternative placements, like jail, who would have been in a DC.
- There is a need to address the service gaps for all regional center (RC) clients, especially for sedation dentistry. Denti-Cal does not come close to addressing true costs of service. The Task Force should focus on the huge scale of the problem, as dental services are a critical need.
- It was suggested that when evaluating needs, the Task Force should look at people who are in the hospital with no appropriate place to be discharged to. There's not an adequate infrastructure or array of services for individuals with dual diagnoses.
- There is no “average cost” to the people served in California's developmental disabilities service system.
- Health & Safety exemptions are not possible for the large number of individuals that need them, potentially hundreds at a time.
- Finding affordable housing is an even bigger issue today without redevelopment agencies. Affordable housing is the single greatest challenge to meeting the integration requirements of CMS. A successful project in Poway was referenced

and Task Force members were urged to look at other state's solutions to the affordable housing issue.

- Discussions are focused on people in the DCs, but there are thousands more people we need to help in the community.
- Minimum wage issues stated earlier by Task Force members were confirmed and more examples were given from various members of the public. Emergency measures were urged.
- DC assets need to be captured for the community.
- Supports need to follow a person, not be tied to a place or home. Especially for people with dual diagnoses.
- Don't designate DC land as surplus, use the land for clinics or affordable housing.
- Self-determination is a great program. Some elements of the program should be incorporated into RCs right now. Families should be able to access services across RC catchment areas.
- Reinstate the legislative subcommittee to address aging and autism needs.
- Behavioral respite is a service need that is not being addressed and needs to be part of the discussion.
- As the Task Force moves forward, they should not forget about Intermediate Care Facilities (ICFs). There are about 1,100 funded through Medi-Cal.

After returning from the lunch break, Kris Kent, CHHS, was asked to summarize the work done so far by the Task Force workgroups; specifically to identify where the workgroups were able to find consensus, what their focus was on, and where we still need to go. Kris shared that the workgroups started by establishing a baseline and examining where the system is now, followed by the exploration of potential solutions. There have been 3 Rates workgroup meetings since the last full Task Force meeting, and 2 Regional Center operations workgroup meetings. Included in the meeting handouts were a green and a yellow sheet summarizing the results of the workgroups' efforts so far.

## **REVIEW OF RATES WORKGROUP PRODUCTS & DISCUSSION**

California's existing rate system is complex and has become "rate spaghetti" over time. The workgroup was asked to look at: If we could start fresh, what would an effective rate system look like? This handout (titled "*Rates Workgroup Discussion Items and Points of Consensus*" and printed on light green paper) summarizes the guiding principles, constraints, questions and points of structural agreement developed by the workgroup. Task Force members were asked to share their thoughts, concerns and identify if anything was missed in the summary. The points of structural agreement are intended to be the building blocks for recommendations the Task Force can make.

The group was asked: What will get us to build a rate system that is functional and sustainable?

Suggested edits to the rates handout:

- Equality should be further defined as “equal access to services across the state.”
- Rates should be set by a standardized, transparent mechanism/methodology.
- It was suggested that in addition to “Transparency for negotiated rates,” there should be some standardization. It was also clarified that the call for transparency relates to how everyone negotiates their rates a little differently. There is a need for people to understand those differences.
- There should be measures, plural, for consumer satisfaction and choice should be added to the last point of agreement listed on the handout.

### Discussion Items

- Must factor in that our starting point for a new rate system is lower than where we should be.
- We need to include people outside our system such as the ICFs mentioned earlier whose rates are set by the Department of Health Care Services. A liaison to help break down walls between different systems of funding may be helpful.
- A rate system that supports a career path, good service and a quality workforce is needed.
- It was suggested that to truly be structurally sound, a new rate system should be based on costs; however, Secretary Dooley has found that with the Affordable Care Act implementation, costs may not be the best indicator. Goals and outcomes may be more appropriate measures of reimbursement. Can we figure out a way for the system to bear at least a partial relationship to cost? Best practices and quality can be factored in.
- Labor costs are more than 80% of a provider’s costs. Labor rules create very little wiggle-room to make adjustments. Unlike medical providers, our system doesn’t allow providers to absorb costs over time and still stay focused on quality outcomes.
- System standards today don’t reflect the outcomes we want. Oversight tends to pile on solutions to one-off issues, rather than focusing on desired outcomes.
- Provider requirements are defined down to the last, little detail, which eliminates flexibility.
- There are three different areas of costs: facility costs, cost of care and cost of doing business.
- Creativity or programmatic flexibility can help with the intrinsic value people get if more money is not an option.

- Supported employment was identified as a possible priority area. If rates supported the service, providers would get back into the business.
- A broad timeline is would be helpful. Perfection or permanent solutions are not achievable, so we need to do something to allow the system to evolve to meet needs. We need to start planning for the January budget immediately to move changes forward. Ideally, the Task Force would give the Administration a proposal in the Fall so the findings and thinking of the group can be incorporated into the January budget.
- There is a shift towards managed care for long-term services in California, not just health care services. Are the Task Force's efforts moving in the same direction as the state and federal governments?
- Systems of care are a good direction to head. RCs are like the "health plan" that's responsible for the system of coordinated care focused on the whole person. Beneficiaries interface with several other systems of care that are governed differently (e.g. IHSS, medical care, behavioral health treatment). How do we design a system of care that minimizes the touch points between these systems?
- The federal matching system leads to medical model solutions in order to maximize federal matching dollars.
- A diverse system of care creates complexity; this creates barriers to access and uses resources poorly. We need to redesign the system to eliminate some of the bureaucracy when everyone is funded by the federal government.
- If we look at capitated payments based on utilization over time, with a defined set of benefits (that currently varies from area to area in our system), like health care, is that direction we want to go?
- Services follow the money, rather than the money following the person from institutional care to the services they need in the community. We need to turn that back around somehow.
- Choice = dollars. On the medical side, choice also tends to be the enemy of affordability, as seen with narrow or "closed" physician networks.
- There's "choice" around what you think you want and "choice" around services needed.
- The guiding principles are a good, strong start, but the group needs to move those forward into an actionable proposal. Is specific expertise needed to design a new system and develop the structure? The group was encouraged to consult with experts who have done this in other states.
- The Task Force is a forum to design a new system, to develop structure for the programs and determine how the system is going to work. It is not a forum to ask for more funding. The Task Force needs to examine the pie that we have, the pie is not going to get bigger, we must determine how to best make it work.



- A natural next step is to pull together an intense, smaller group with the right expertise to develop a plan (a rate formula or system design) - capitalizing off the investment this group has made together - that the Task Force can then react to.

The last portion of the meeting was dedicated to discussion of the Regional Center Operations Workgroup Summary handout titled “*Regional Center Workgroup Points of Consensus*,” printed on light yellow paper in the packet of handouts.

## **REVIEW OF REGIONAL CENTER WORKGROUP PRODUCTS & DISCUSSION**

The Task Force agreed that the goal listed at the top of the handout is comprehensive and captures the intent and feedback of the group.

The following edits were suggested for the recommendations listed below:

- 1) Funding should remain based on total caseload
- 2) The core staffing formula needs to be re-engineered
- 6) It was noted that the Department of Rehabilitation has gone to a team model
- 10) Need to work on interaction points to other systems of care, perhaps by having a liaison at the RC
- 11) “Payer of last resort” requirement causes problems, it is not necessarily the generic resources (anything not paid for by the RCs) requirement that is a problem. The requirement for most cost-effective services is a significant issue because of varying interpretations.
- 14) Audits should help prevent issues and not just be punitive and backward-looking.
- 15) Quality assurance needs to be enhanced with a focus on consumer outcomes and need to identify improvements

It was noted that “geographic disparities” were included as a constraint on the Rates Summary sheet, and need to be added to the Regional Center Operations Workgroup summary.

### Discussion Items

- A common language to define the entitlement services is needed.
- There are three layers to identifying a common understanding of entitlement services:
  - Different types of services listed/defined on the DDS website
  - Differences in programs from place to place or RC to RC
  - Parent/family member interpretations of need
- A “menu” of service options may negate the charge to develop an Individualized Program Plan, which is foundational to our system. Menus of options create “I want what they have” situations.

- Families are not always informed of all of the options, they find out from each other.
- Some RCs are acting as “gatekeepers of services,” rather than facilitators of services as intended. Changes to the Lanterman Act have created this shift. The “gatekeeper” role may become more necessary as we move forward with self-determination.
- Like rates, service codes have become “spaghetti” over time and need to be streamlined and made more understandable.
- Affordable housing and rent subsidies are key. There are two things that can be helpful, that won’t cost California any money: 1) We have to make sure the Able Act will allow funds to be used for rent without jeopardizing Supplemental Security Income. 2) A suggestion was made to look at how the CA Department of Housing and Community Development could open up the *Section 811 Supportive Housing for Persons with Disabilities Program* to more people.

Upon the conclusion of this discussion and confirming general agreement on the documents presented today, Secretary Dooley once again open the floor for public comment.

### **PUBLIC COMMENT**

- It was requested to ensure that all Future Task Force meetings be open to the public. (They are.)
- Consideration of emergency measures in this year’s budget was requested (e.g. wage pass-throughs for employees, funding the exempt overtime requirement, DDS withdraw their appeal to the Uniform Holiday Schedule, carve out of home care services through SLS rather than IHSS, is there a way to capture Community First Choice funding?).
- It was asserted that the best outcomes come from incentivized programs and hourly services vs. outcome measures.
- As we look to create a new rate system, we need to keep in mind future needs including Employment First.
- The exploding autism population must be addressed. A letter on this topic from the Autism Society of the San Francisco Bay Area was made available to Task Force members.
- A concrete timeline was encouraged. Rate system restructuring has taken years in other states.
- There was confirmation of the need to move from a cost-based service to an outcome-based one.

### **NEXT STEPS**

Secretary Dooley indicated that CHHS staff will be meeting with DDS staff to review today's discussion and formulate some proposed next steps, be it a workgroup meeting or the smaller, more focused group of experts meeting that was discussed earlier in the day.

The full Task Force will likely meet again in in Fall or Winter to continue the group's forward momentum and determine specific actions to be taken. Workgroups may meet during the summer.

Today's meeting will be summarized into notes that will be routed to the group to ensure everyone is on the same page.

The meeting adjourned at 3:23 p.m.