

Developmental Services Task Force: Examination of Opportunities to Strengthen the Community-Based Services System

December 2017
FINAL

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I. INTRODUCTION & BACKGROUND

This section provides pertinent background information and history leading to the work of this Task Force. Section II describes the focus and approach of the DS Task Force, as well as data and information considered, the guiding principles agreed upon by the DS Task Force and the Task Force's overall observations in each subject area the group chose to focus on. Section III presents the recommendations of the DS Task Force moving forward in each of the five subject areas ultimately pursued.

The Department of Developmental Services (the Department) is responsible for providing services for persons with developmental disabilities through two primary programs. In the first program, the Department contracts with 21 private non-profit organizations called regional centers (RCs) to develop, manage and coordinate services and resources for individuals determined to be eligible (consumers) for services under the Lanterman Developmental Disabilities Services Act (Lanterman Act). Service needs are determined through a person-centered approach involving the consumer, the RC, and the parents or other appropriate family members or legal representatives. In the second program, the Department directly operates three developmental centers (DCs) and one small community facility providing 24-hour residential care and clinical services. Again, a person-centered approach, that includes DC staff, is utilized to identify and meet service and treatment needs of the residents.

The beginning of the California Developmental Center (DC) system dates back to the 1850s, and provided the first residential alternative available to families of individuals with developmental disabilities who were unable to be cared for at home. In the 1960s, changes began that led to creation of community alternatives under the Lanterman Act, both in-home services and supports so that more individuals could be cared for at home, as well as facilities that provided community residential options. As the community system developed and the underlying philosophy of community integration gained prevalence in law and court cases, dependence on the DC system and other institutional settings declined. Ultimately, effective July 1, 2012, California placed a moratorium on admissions to state-operated DCs except in very limited circumstances (Assembly Bill 1472, Chapter 25, Statutes of 2012), accelerating the decline in the DC population and the closure of the DCs.

In May 2013, the Secretary of the California Health and Human Services Agency (CHHS), Diana S. Dooley, announced that she was establishing the "Task Force on the Future of Developmental Centers" (DC Task Force). She appointed a broad cross-section of members representing consumers, family members, regional centers, consumer advocates, community service providers, organized labor and the Legislature, with support provided by the Department. The primary purpose of the DC Task Force was to address the service needs of all DC residents and provide for the delivery of cost-effective, integrated, quality services for this population in the future.

The DC Task Force considered the special service needs of the residents and the services provided at the DCs, analyzed the services and supports that were available in

the community, and identified what additional services and supports may be needed in the community. The work of the DC Task Force culminated in six recommendations as presented on January 13, 2014, in the “Plan for the Future of Developmental Centers in California (the Plan).”

In the Plan, 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 Secure Treatment Program (STP) at Porterville DC for competency training and to the Canyon Springs Community Facility for the provision of transition services. The DC Task Force also recommended developing new and additional service components, including development of services for individuals with challenging behaviors, and exploring utilization of DC assets to provide health resource centers and community housing through public/private partnerships.

The Department is now at a critical point in history, transitioning to community-based, integrated services for all but a limited number of individuals. On October 1, 2015, the Department submitted to the Legislature a plan to close Sonoma DC by December 31, 2018. Subsequently on April 1, 2016, the Department released closure plans for Fairview DC and the General Treatment Area at Porterville DC by December 31, 2021. Porterville's STP and the Canyon Springs Community Facility (CF) will remain open.

During its previous work, the DC Task Force identified a number of community issues that were impacting the delivery of community services and their long-term sustainability. Recognizing that the community system issues were beyond the scope of its 2013 work, the DC Task Force included Recommendation 6 as part of the Plan, calling for another task force to be formed to address ways to make the community system stronger. Additionally, during the development of the Budget Act of 2014-15, the Legislature expressed specific interest in updating the core staffing formula for regional centers and the rate-setting methodologies for community-based services. In response, the Governor directed the CHHS to convene a task force to review both of these items and other community issues identified in the Plan.

II. DS TASK FORCE PROCESS AND DELIBERATIONS

On July 24, 2014, Secretary Dooley reconvened the DC Task Force as the Developmental Services Task Force (DS Task Force). Consistent with Recommendation 6 in the Plan and in response to Governor Brown's message in the 2014-15 Budget Act, the DS Task Force was brought together to act as an advisory group and develop recommendations to strengthen the community system. The growing and aging population served, resource constraints, availability of community resources to meet the specialized needs of clients and past reductions to the community system were all factors to be examined by the DS Task Force. Specific issues to be examined included community rates, the impact of new state and federal laws and regulations and staffing levels at regional centers.

The DC Task Force produced a set of recommendations to chart a course for the future of the developmental centers. The DS Task Force was uniquely positioned to build on the work of the DC Task Force by examining services in the community and added five new members to the original twenty-one to add further expertise to the panel. The press releases detailing the full membership of the DS Task Force are included as Attachment I in this report.

The scope of the DS Task Force's work was broader than the work of the DC Task Force and did not have a prescribed timeline. Secretary Dooley directed the group to look at how to assess and thoughtfully plan for the community service needs of over 300,000 people receiving services under the Lanterman Act, while considering existing resource demands and limitations. DS Task Force members were urged to prioritize and sequence topics and areas, knowing that all areas of the system could not be addressed at once.

It was recognized early on that the work related to implementation of the new Home and Community-Based Services (HCBS) waiver regulations is important and should be integrated with and not distinct from the work of the DS Task Force, as it may govern some of the group's recommendations. The existing HCBS Advisory Group was determined to be the vehicle for the technical aspects of implementation, while the DS Task Force would focus on policy integration.

DS Task Force members were asked to identify their expectations and the major issues to be examined, what they need to know to address those issues, and what expertise and representation was needed. Once an inventory of issues was identified, they were organized so the DS Task Force could utilize a workgroup process, as they did in 2013. The workgroups met between DS Task Force meetings to work through the data and craft recommendations to present to the full DS Task Force.

Secretary Dooley convened and chaired a total of seven DS Task Force meetings between July 24, 2014 and July 18, 2017. The meetings were open to the public, and public comments were received and recorded. To make best use of the members' time, workgroups comprised of DS Task Force members met between full DS Task Force meetings and, based on identified topics, developed information, materials, agenda items and recommendations for DS Task Force consideration. The DS Task Force identified a total of four workgroups to more closely examine subject areas of interest to the group. A total of 14 workgroup meetings were held between December 16, 2014, and May 9, 2017. Almost all of the DS Task Force members participated in one or more of the workgroup meetings and performed preparatory work outside of the scheduled meetings. Throughout the DS Task Force process, data and historical documents were provided by the Department, and workgroup participants shared important information from other sources. Additionally, public participants submitted materials to the DS Task Force. Materials used by the DS Task Force were provided to members electronically and were made available on the CHHS website at www.chhs.ca.gov. A list of all DS Task Force public and workgroup meeting dates is included as Attachment 2.

DS Task Force meetings also offered the opportunity for the Secretary and the Department to provide stakeholders with comprehensive updates and allowed for public comment on issues important to our system including Governor's Budget and May Revision Budget updates, DC closures, HCBS rules, Self-Determination Program, the status of overtime regulations, and managed care tax reform.

Packets of materials prepared for each of the seven DS Task Force meetings are included in Attachment 3.

The DS Task Force's early discussions focused on five subject areas, their scopes, level of urgency, additional data needs and the identification of overarching guiding principles to be considered when examining all of the subject areas. The five subject areas identified were:

1. Service Rates and the Rate-Setting Structure
2. Regional Center, Provider and Other Community Services
3. Employment and Higher Education Opportunities
4. Medical, Dental, Mental Health and Durable Medical Equipment
5. Housing

The topics for discussion within each of these five subject areas are detailed on pages four through seven of the *October 8, 2014 Meeting Summary* included in Attachment 4.

Following are the Guiding Principles agreed upon by the members of the DS Task Force excerpted from the October 8, 2014, Meeting Summary:

Guiding Principles

The DS Task Force expressed strong interest in capturing the principles that should be fundamentally included in every subject area and used as a goal or guide when considering changes to the community system. Also, it was recognized that some topics, such as the 2014 Centers for Medicare and Medicaid Services (CMS) regulations on Home and Community-Based Services (HCBS), will necessarily have an impact on each area. Specifically, the overarching principles and topics for consideration under each subject area are:

1. The Lanterman Developmental Disabilities Services Act guarantees regional center services for the life of the consumer, thereby creating an entitlement program in California.
2. The core component of the service delivery system is a comprehensive person-centered Individual Program Plan (IPP), also referred to as a whole person or IPP, which is carefully crafted and enables choice.
3. Consumers must be empowered to make choices and receive the services and supports they need to lead more independent and productive lives in the

least restrictive environment appropriate for the individual. Consumers must be at the center of any problem analysis or solution, with the objective of providing services that people want. Emphasis should be placed on consumer choice, self-determination and consumer-directed services.

4. Ensuring consumer health and safety is critical, which includes protecting individuals from harm and abuse, and providing appropriate crisis intervention and response.
5. Services must be culturally and linguistically appropriate and responsive to the consumer and his or her family.
6. Any model of care or service must receive sufficient and stable funding to be successful in accomplishing its goal and be sustainable. The adequacy of resources is an issue that permeates all aspects of the service system.
7. The tenets of community integration and access reflected in the 2014 CMS regulations for HCBS must be incorporated throughout the service system, including but not limited to consumer choice; consumer independence; consumer rights to privacy, dignity and freedom from coercion and restraint; opportunities for integrated employment; and settings that meet consumer-specific provisions based on these principles.
8. There must be fiscal accountability, transparency and fiscal responsibility in the service system, including maximizing the use of federal funding.
9. An appropriate framework for monitoring and quality assurance should be built into services.
10. Technology should be utilized.
11. Developmental center resources (land, staff and buildings) should be leveraged or made available to benefit consumers in the community.
12. Flexibility should be incorporated into the system to address choice and special circumstances, such as allowing timely Health and Safety exemptions.

Based on the five subject areas identified by the DS Task Force, four distinct workgroups were created to help move the work of the DS Task Force forward. It was noted that no single section of our system operates without influence from another, so there would be some overlap between workgroups. The first two workgroups addressed the priority work regarding “Rates” and “Regional Center Operations” and the next two, “Medical and Mental Health Services and Supports” and “Housing and Employment” were started once the Rates and Regional Center Operations discussions concluded. The Medical and Mental Health Services and Supports workgroup evolved into the “Community Supports and Safety Net Services” workgroup to address the larger system

needs that were identified in initial discussions of medical and mental health service needs.

As was done with the DC Task Force, the workgroups met every other month alternating between subjects so there was a meeting each month. Workgroups were open to all members of the DS Task Force and the workgroup discussions were led by Kristopher Kent, Assistant Secretary, CHHS. Each workgroup evaluated barriers, constraints, and gaps in services as well as definitions, general areas of focus, goals, guidelines and points of structural agreement to formulate recommendations specific to their topic area. The remainder of this section includes a general overview of the work of each workgroup and references the corresponding documentation included in Attachment 5.

RATES WORKGROUP

The Rates Workgroup was the first workgroup to meet. California's existing rate system is complex and has become more complex over time. The workgroup was asked to look at: If we could start fresh, what would an effective rate system look like? How would we improve it and make it sustainable? Lengthy discussions identified a host of issues and concerns, a call for more flexibility and suggestions for grouping rates into three areas: facility rates, rates for services and "other" to help simplify the system.

The need to engage a large, sophisticated rate study, based on the experiences shared by other states was discussed. It was acknowledged that looking at California's whole rate structure is an expansive undertaking that will take several years to complete. Recognizing the pressures the system is under, and the time required to complete a rate study, the workgroup recommended pursuing three tracks: Applying funds to the areas of greatest, immediate need; developing broad recommendations for the rate system; and recommending the Department pursue a comprehensive rate study.

Based on the Rates Workgroup's recommendations, the Department reached out to the National Association of State Directors of Developmental Disabilities Services (NASDDDS) to obtain their expertise on what types of qualities and skill sets the Department should seek in a contractor. NASDDDS advised that the contractor should be able to demonstrate strong analytical and actuarial skills; familiarity with the regional center system and California's unique service delivery system; extensive knowledge of the HCBS regulations, the Fair Labor Standards Act overtime regulations, and potential impacts of those regulations on rates. Given the intricacies of our system, it was suggested that the rate study would likely take about three years to complete.

Assembly Bill (AB) X2 1 (Chapter 3, Statutes of 2016 Second Extraordinary Session), made changes to Section 4519.8 of the Welfare and Institutions (W & I) Code and required the Department to provide a rate study to the Legislature by March 1, 2019, that addresses several specific items including: an examination of any proposed rate structures for their effect on the number of service providers; a look at the fiscal impacts of alternate rate methodologies and how different rate methodologies can incentivize

outcomes for consumers; and consider consolidating the significant number of service codes in our system today.

A request for proposal (RFP) for the rate study was posted on the Department of General Services (DGS) website on February 9, 2017. Proposals were due April 3, 2017, and the contract was awarded to Burns & Associates, Inc. on June 2, 2017. Under the provisions of the contract, Burns & Associates is required to meet with the DS Task Force and Rate Study Workgroup to provide detail on their direction, to interact with members and get their input to help inform the work of the contractors.

A document titled “*Rates Workgroup Discussion Items and Points of Consensus*” summarizes the guiding principles, constraints, questions and points of structural agreement developed by this workgroup and is included in Attachment 5.

REGIONAL CENTER OPERATIONS (RC OPERATIONS) WORKGROUP

The RC Operations Workgroup looked at the types of issues creating problems for regional center operations and budgets. Areas of focus were the core staffing formula and case management ratios. The Association of Regional Center Agencies (ARCA) was invited to join the workgroup discussion as subject matter experts and indicated their willingness to share their ongoing analysis of these areas and provide further input to the group.

A document titled “*Regional Center Workgroup Points of Consensus*,” included in Attachment 5, summarizes the goal and recommendations of the RC Operations Workgroup.

COMMUNITY SUPPORTS AND SAFETY NET

The Community Supports and Safety Net Workgroup carefully reviewed existing community support services and discussed what additional options or services were needed to assure that an array of enhanced services and supports for individuals are accessible and timely, particularly when other services and supports fail or are no longer sufficient to sustain a person’s health and safety. The group also discussed the importance of preventing a crisis from occurring, to include ways to maintain individuals in their homes, and developing models of support to prevent an individual from becoming involved in the criminal justice system or needing a more restrictive level of care. The group developed general definitions of “safety net” and “crisis” to help focus discussions, and created a set of general principles. Discussions focused on three areas: pre-crisis, crisis services and fundamental services, resulting in recommendations to the Department.

The safety net concepts discussed by the DS Task Force, and shared by stakeholders, included: flexibility; enhanced services and options to meet individual needs, from youth to seniors; quality assurance; trusted and trained staff; availability of services throughout the state; prevention of behavior escalation; utilizing the least restrictive

interventions; cross-education with other systems, including law enforcement and first responders; and supporting people in their homes as a priority. The DS Task Force also identified a need for greater residential options and stability for individuals with significant service needs; additional crisis facilities and services throughout the state; start-up funds for safety net services; increased state oversight of safety net services; a residential setting that cannot refuse to serve a consumer; enhanced managed care and medical, dental, psychiatric, and behavioral services; and additional intensive supports for individuals in transition from one setting to another.

A document titled “*Community Supports and Safety Net Services Summary*,” included in Attachment 5, contains the general definition of “Safety Net” and “Crisis” as determined by the workgroup as well as the general principles, areas of focus and policy recommendations, gaps in fundamental services and crisis services, and recommendations for the Department.

HOUSING & EMPLOYMENT WORKGROUP

Though both housing and employment are critical issues for the individuals the developmental services system serves, the complexities of each subject area led this workgroup to separate the subjects and focus on one issue at a time, resulting in workgroup meetings specific to housing or employment.

The housing discussion explored how to increase person-centered housing opportunities for individuals with developmental disabilities. The group worked to define housing needs, both immediate (including crisis) and longer-term. As the consumer population ages and demographics change, housing needs will continue to evolve.

Also examined by the group was the use of Community Placement Plan (CPP) funding for community resources. The workgroup discussed ways to enable regional centers to target their housing needs more effectively, incentives to retain and increase capacity in homes within the developmental services system, the benefits of accessible housing/universal design, and licensing rules that potentially inadvertently limit housing options for consumers. The workgroup recommended increasing specialized housing expertise at the Department and the regional centers, further exploring multi-family housing options, and accessing existing federal, state and local community housing resources and subsidies.

A document titled “*DS Task Force Housing Workgroup Summary Document*” (in Attachment 5) reviews the general guidelines, barriers, gaps and recommendations specific to housing identified by the workgroup.

The Employment discussion started with examining the barriers to employment and considering services that may improve employment outcomes for consumers. The group transitioned into defining an ideal, person-centered environment for employment. The workgroup heard from experts in the field and reviewed the “*California Competitive*

*Integrated Employment (CIE): Blueprint for Change.*¹ The blueprint represents a multi-year effort between the Department of Developmental Services, Department of Rehabilitation and Department of Education, with input from Disability Rights California, to develop a blueprint for coordination resulting in increased opportunities for competitive and integrated employment for individuals with developmental disabilities.

The group created policy recommendations based on maximizing competitive, integrated employment, supporting the efforts contained in the CIE blueprint and recommending that the three departments continue to work to align their policies in the blueprint process as well as utilize the blueprint structure to implement policy recommendations as appropriate.

A document in Attachment 5, titled “*Employment Workgroup Summary*,” summarizes the general guidelines, barriers and constraints, and general areas of focus, as identified by the workgroup.

III. DS TASK FORCE RECOMMENDATIONS

Each workgroup developed recommendations that were presented to the full DS Task Force for finalization during the DS Task Force’s public meetings. This section details the recommendations of each workgroup, as well as the attached handouts summarizing each workgroup’s findings. In line with the Guiding Principles developed by the DS Task Force, there are common themes throughout the recommendations, in addition to recommendations specific to each subject area. If subsequent action has been taken on the workgroups’ recommendations, it has been noted.

RECOMMENDATIONS OF THE RATES WORKGROUP

The Rates Workgroup recommended pursuing three tracks:

- Applying funds to the areas of greatest, immediate need
- Developing broad policy recommendations for the rate structure
- DDS pursue a comprehensive rate study informed by the policy recommendations of the DS Task Force

The comprehensive, statewide rate study is in process and is required to be submitted to the Legislature by March 1, 2019.

Several rate changes to address areas of significant need have been implemented since the Rates Workgroup identified the need to pursue targeted enhancements. In FY 2014-15, rates increased, if necessary, for all services with rates established by the Department (excluding supported employment providers) and negotiated rates due to an increase in the statewide minimum wage. In FY 2015-16, community based day

¹ Available online at: [http://www.chhs.ca.gov/Pages/Competitive-Integrated-Employment-\(CIE\).aspx](http://www.chhs.ca.gov/Pages/Competitive-Integrated-Employment-(CIE).aspx)

programs, in-home respite agencies, work activity programs, vendors with negotiated rates and ARM rates benefitted from a sick leave rate increase. There was an additional 5.82% rate increase due to Fair Labor Standards Act (FLSA) changes in overtime exemptions for in-home respite agencies, supported living services providers and personal assistance providers, and in January 2016, rates increased again, if necessary due to an increase in the statewide minimum wage.

In FY 2016-17, rates were increased again, with the exception of supported employment providers, due to minimum wage increase for vendors with 26 or more employees. Rates also increased in several areas due to ABX2 1 including:

- Direct service staff and administrative expenses increased by various percentages, applied to all services with rates established by the Department and rates set through negotiation between the regional center and the provider.
- An additional increase of 5% for all Supported Living, Independent Living, Respite and Transportation services. This increase did not apply to those services for which rates are determined by the State Department of Health Care Services, are usual and customary, or where rates are set by the State Department of Developmental Services (such as rates for in-home respite agencies, community-based day programs and many residential facilities).
- Supported Employment Rates increased due to administrative and direct service staff increases to bring the hourly rate to \$36.57.
- Updated the Alternative Residential Model (ARM) rate schedule for five or more beds. Established ARM rate schedule for facilities vendored to serve four or fewer consumers.

RECOMMENDATIONS OF REGIONAL CENTER OPERATIONS WORKGROUP

The RC Operations Workgroup identified their goal as: “Efficient, responsive, culturally competent, high quality person-centered planning and service coordination with streamlined, sustainable funding and organization that allows for necessary local flexibility, quality assurance and resource development.” Their recommendations are as follows:

- Funding should remain based on caseload ratio
- The core staffing formula should be revised by the Department of Developmental Services and the Association of Regional Center Agencies (ARCA) working together with stakeholders, with a focus on person centered planning, salary issues and streamlining

- There should be the flexibility to have a lower caseload for specialized populations such as Developmental Center movers, Early Start, and those involved in the criminal justice system, as well as flexibility for moments of crisis
- There should be a mechanism for periodic review and adjustment of caseload ratios
- Explore minimum qualifications for Service Coordinators and salaries to retain expertise and quality employees
- The duties of the Service Coordinators should be examined to see if some duties could be shared in a team approach or taken over by general staff
- Technology should be evaluated to see where it might improve services and create efficiencies
- Other systems of care should be examined to see if aspects could be beneficial to the Regional Center (RC) system
- Need to streamline paperwork and operations
- Need to work on transition points to other systems of care, perhaps by having a liaison at the RC
- There are serious concerns about the interpretation of the requirement for most cost effective services
- There should be some measure of consumer satisfaction
- There should be an examination of whether positive outcomes could be tied to extra funding
- Audits should help prevent issues
- Measure what matters most to the consumers and/or family
- Re-evaluate reportable data and documentation to ensure that it is capturing meaningful information
- Focus on quality improvement systems that look forward rather than quality assurance that look backwards.

RECOMMENDATIONS OF COMMUNITY SERVICES AND SAFETY NET WORKGROUP

Recommendations for the California Department of Developmental Services (DDS):

- The department should evaluate where there are service gaps in crisis and “wrap-around” services throughout the state
- The department should evaluate opportunities for increased training and coordination
- The department should evaluate its current oversight and work with stakeholders on refining and enhancing this oversight to ensure a quality statewide safety net
- DDS should incorporate these principles and recommendations in to their legislative report on safety net services

The workgroup’s recommendations helped inform the Department’s “*Plan For Crisis And Other Safety Net Services In The California Developmental Services System*,” submitted to the Legislature on May 13, 2017², as well as a series of three stakeholder meetings held statewide in early 2017 to discuss safety net services that are referenced in the May 2017 report. This effort led to the inclusion of additional resources in the 2017 Budget Act for expanded services for individuals with developmental disabilities, including the expansion of mobile acute crisis teams, intensive support services, and the development of transition support services and acute crisis homes.

RECOMMENDATIONS OF HOUSING & EMPLOYMENT WORKGROUP

Housing Policy Recommendations:

- Use the Achieving a Better Life Experience (ABLE) Act to the extent possible
- Examine if the Federal Section 811 Supportive Housing for Persons with Disabilities program criteria could be modified to make it more accessible/user friendly for our population
- There should be planning for the aging population, including the development of specialized models
- Develop more mobile crisis teams
- The department should look at changing supported living rules to be more clearly defined and to allow for greater flexibility
- The department should look at ways to maximize the funding from other programs, including local programs
- The department should evaluate what incentives could be developed to maintain and/or increase capacity by keeping homes in the system

² Available online at: <http://www.dds.ca.gov/Budget/Docs/20170513-PlanCrisis-OtherSafetyNetServices.pdf>

- The department should evaluate ways to make funding more flexible
- Maximize the “buy it once” model
- Maintain funding of CPP and allow for more flexibility in how it is used
- The department should have some funding to help if an individual has a housing emergency
- The department should evaluate the effectiveness of new and existing models of housing and supports currently under development to see if an additional model is needed for individuals with a dual diagnosis
- Home modifications and accessible housing/universal design are additional ways to better serve the individuals in our system that have housing needs
- The Department will continue to evaluate housing needs

AB 107 (Chapter 18, Statutes of 2017) requires the Department to establish procedures, guidelines and regular reporting to expand the use of community placement plan funds to include community resource development that addresses the need for services and supports of consumers living in the community.

Employment Policy Recommendations:

- The overall goal of the state should be to maximize participation in Competitive Integrated Employment (CIE).
- The DS Task Force supports the efforts contained in the CIE Blueprint and recommends that the three departments continue to work to align their policies through the Blueprint processes, as well as utilize the Blueprint structure to implement these policy recommendations as appropriate.
- There must be a focus on comprehensive, person-centered transition planning to transition consumers from sheltered workshops, with coordinated plans between departments and funding for helping this transition
- There should be the ability for local pilot projects centered around employment
- The department should also work toward developing integrated options for those who working is not a good option
- The department should review existing laws and regulations to ensure they are supportive of employment and allow for flexibility where appropriate

- The department should develop measures for quality assurance and improvement for employment services
- The department should develop strategies for employer outreach and education
- The department should also consider pilot programs focused on underserved communities
- There should be improved communication to consumers and families about the options for employment, including how employment might interact with other benefits a consumer may have

IV. NEXT STEPS

The DS Task Force has evolved considerably since their first meeting in July of 2014 and has become an extremely valuable body where a broad mix of experience can inform future policy.

The time stakeholders have invested in the different task forces, workgroups and advisory groups is critical and has brought us to where we are today. As a result, and in response to the feedback and dialogue that started back in 2013 with the DC Task Force, a number of new models of service have been designed, are being developed and have started to provide services for individuals with developmental disabilities. While there is more work to be done, it is important to recognize everyone's efforts have already resulted in considerable positive changes within our system.

The DS Task Force has gathered facts, shared opinions, analyzed information and developed many thoughtful recommendations in five primary subject areas. The rate study suggested by the DS Task Force is moving forward and safety net services are being enhanced statewide, based on the groundwork laid by this group. Regional center operations improvements are underway and Community Placement Plan funding has been expanded to allow more flexibility to regional centers developing community resources, as suggested by the Task Force. ABX2 1 (Chapter 3, Statutes of 2016 Second Extraordinary Session) has enhanced employment outcomes by providing funds for paid internships for individuals with developmental disabilities, as well as enhancing placement fees for providers who are able to successfully place individuals in CIE.

As the DS Task Force transitions to more of an advisory group role, we will continue to work together to keep moving the recommendations outlined in this report forward, further realizing positive changes that will benefit all those served under the Lanterman Act.

V. ATTACHMENTS

- 1) Press Releases Detailing DS Task Force Membership
- 2) Chronology of DS Task Force & Workgroup Meetings
- 3) DS Task Force Public Meeting Materials
- 4) DS Task Force Public Meeting Summaries
- 5) DS Task Force Workgroup Summaries

V. ATTACHMENTS

1. Press Releases Detailing DS Task Force Membership..... 5 pages
2. Chronology of DS Task Force & Workgroup Meetings1 page
3. DS Task Force Public Meeting Materials (6 total)..... 17 pages
4. DS Task Force Public Meeting Summaries (6 total) 61 pages
5. DS Task Force Workgroup Meeting Summaries (5 total) 11 pages

ATTACHMENT 1

Press Releases Detailing DS Task Force Membership..... 5 pages

State of California HEALTH AND HUMAN SERVICES AGENCY



DIANA S. DOOLEY
SECRETARY

Aging

Child Support
Services

Community Services
and Development

Developmental
Services

Emergency Medical
Services Authority

Health Care Services

Managed Health Care

Managed Risk
Medical Insurance Board

Public Health

Rehabilitation

Social Services

State Hospitals

Statewide Health
Planning and
Development

FOR IMMEDIATE RELEASE
September 30, 2014

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Developmental Services Task Force Reconvenes October 8th *New Members Announced*

SACRAMENTO - The Developmental Services Task Force (Task Force) will convene on October 8, 2014, California Health and Human Services Secretary Diana S. Dooley announced today. In addition, five new members of the Task Force have been added, bringing the number of members to 26. The Task Force includes consumers, consumer advocates, regional centers, community service providers, organized labor, families of developmental center residents, members of the Legislature and Department of Developmental Services staff.

The next Task Force meeting will be held on October 8th from 10:00 a.m. to 4:00 p.m., at the Department of Health Care Services' Annex Building, 1700 K Street, First Floor Conference Room, in Sacramento.

"I look forward to the contributions these new members will add to the diverse group of stakeholders we have assembled," said Secretary Dooley, in welcoming the new members. "The five individuals that are joining us represent additional expertise that will help the Task Force chart a path for services for people with developmental disabilities."

Consistent with a recommendation in the [DC Task Force Final Report - Plan For The Future of Developmental Centers In California](#) and in response to Governor Brown's message in the recently signed Budget Act, the Task Force will be charged with examining services for the developmentally disabled in the community. The Task Force will develop recommendations to strengthen the community system in the context of a growing and aging population, resource constraints, and availability of community resources to meet the specialized needs of clients and past reductions to the community system. Issues to be examined will include community rates, the impact of new state and federal laws and regulations and staffing levels at regional centers.

New Task Force Members

Fernando Pena lives in his own apartment and receives services through Regional Center of Orange County (RCOC). He is currently serving his third term as a member of the RCOC Board of Directors and has recently begun serving on the Human Rights Committee at Fairview Developmental Center. Fernando has worked at Walmart and a local college, assisting with the children's program. He enjoys working with people and helping out whenever and wherever he can and enjoys spending time with family and adding to his collection of model cars.

Cecilia Fabulich is the mother of Joey (age 32) who has autism and receives supported living and supported employment services in Santa Barbara. Bilingual in Spanish, Cecilia is a lifelong resident of East Los Angeles. She is retired from the Elliott Institute, a private school and agency for children and adults with behavior and communication disorders, where she served as director of operations from 1997 to 2009. Cecilia has been an active board member of the Westside Regional Center since 1985 and served for several tenures as board president. She also served as a representative to the Association of Regional Center Agencies (ARCA) and on the ARCA Executive Board where she held the offices of secretary and treasurer. She is a graduate of East Los Angeles College and has earned continuing credits at U.C.L.A. Cecilia has a strong belief in inclusion of individuals with disabilities and has enjoyed working towards organizing conferences on this subject. It is deeply important to her to leave a legacy for her son and his peers that allow them to enjoy their lives as active and contributing community members.

Catherine McCoy, MSW, ASW, has been privileged to serve people with intellectual and developmental disabilities for over 23 years. She is a service coordinator in the Community Placement Plan Unit at San Andreas Regional Center and assisted in the closure of Agnews Developmental Center. Catherine also serves as president of the San Andreas Chapter of Service Employees International Union (SEIU) Local 521, as well as co-chair of the SEIU Developmental Disabilities Council and a member of the Lanterman Coalition. She has worked at regional centers, such as Alta California Regional Center since 1994, serving in various positions. Catherine holds a Master's Degree in Social Work and a Bachelor of Arts Degree in Psychology from California State University, Sacramento.

Carol McKinney, MBA, is passionate about her lifework advocating for individuals with developmental disabilities. She is the co-founder of Harmony Home, Associated, a non-profit organization that provides independent living and supported living services to approximately 275 people in Contra Costa County. Carol's past and present professional affiliations include the Contra Costa County Developmental Disabilities Council, Regional Center of the East Bay Provider/Vendor Advisory Council, California Disability Services Association, co-chair of the California Supported Living Network (CSLN) and co-chair for Governmental Affairs, Lanterman Coalition, Coalition for People with Complex Needs, and California Chamber of Commerce. She holds a Bachelor's Degree in Liberal Studies, with an emphasis on Special Education, from San Francisco State University and a Master's Degree in Business Administration from St. Mary's College.

Boyd Bradshaw is the president and founding member of ResCoalition, a 501.c.6 business league for residential care providers. His experience in operating residential care began in 1990. In 1996, upon graduating from California State University, San Bernardino, he became the executive director of the Sutton Foundation, a large non-profit residential care program. Over these past 13 years, Boyd has owned and operated HCDD, Inc., a program in Orange County with a primary focus on severe behavioral issues and SenseAbilities, a Speech Sensory Clinic. Boyd has served on numerous committees for various Regional Centers, and was chair of the Community Care Licensing Adult Advisory Group. He has consulted with legislative staff on community issues, written legislation, and has been a member of several DDS stakeholder groups.

State of California HEALTH AND HUMAN SERVICES AGENCY



DIANA S. DOOLEY
SECRETARY

FOR IMMEDIATE RELEASE
June 5, 2013

Contact: (916) 654-3304

California Health and Human Services Secretary Diana S. Dooley Appoints Members to the Future of the Developmental Centers Task Force

Sacramento – California Health and Human Services (CHHS) Secretary Diana S. Dooley today announced the members appointed to the Future of the State Developmental Centers Task Force which includes consumers, consumer advocates, regional centers, community service providers, organized labor, families of developmental center residents, members of the Legislature and the Department of Developmental Services staff. California operates four large developmental centers and one small community facility serving a total of 1,510 residents statewide with an annual budget of \$545 million.

“It is essential to listen honestly and fairly to all the different points of view about how best to provide quality care for the people we serve at the developmental centers,” said CHHS Secretary Diana S. Dooley. “The Task Force will gather facts, share opinions and seek agreement on options for the future of developmental centers.”

The Task Force will develop a plan to assure quality, effective and efficient delivery of integrated services to meet the special needs of current residents living in the developmental centers. It will consider the fiscal implications of developmental center operations, including the maintenance of the aging infrastructure, staffing, and resource constraints; the availability of alternative and community resources; a timeline for future closures; and any statutory and regulatory changes that may be needed to ensure the best care possible for this special population.

The Secretary will convene the first meeting of the Task Force on Monday, June 17 from 9:00 a.m. to 4:30 p.m. in Sacramento at the California Department of Rehabilitation, 721 Capitol Mall, Room 242. The Task Force will complete its work by mid-November and the meetings will be open to the public.

Task Force Members

Mark Barr, MS, has been a special education teacher for the Department of Developmental Services for over 23 years and is an elected labor representative for Service Employees International Union (SEIU) Local 1000. He and his wife are parents of a child with special needs whom they recently lost.

Catherine Blakemore, JD, is the Executive Director of Disability Rights California (DRC). DRC provides a broad range of advocacy services state-wide to Californians with disabilities. She has worked in the disability advocacy field for more than 30 years.

Ronald Cohen, PhD, is the President and Chief Executive Officer of United Cerebral Palsy of Los Angeles, Ventura, and Santa Barbara Counties (UCPLA) since 1987. UCPLA offers over 40 programs and services in five counties, including residential and day programs, Intermediate Care Facilities (ICFs), Supported Living Services (SLS), nursing and respite services. Cohen is widely regarded as an expert on developing housing for special needs populations.

Aging

Alcohol and
Drug Programs

Child Support
Services

Community Services
and Development

Developmental
Services

Emergency Medical
Services Authority

Health Care Services

Managed Health Care

Managed Risk
Medical Insurance Board

Public Health

Rehabilitation

Social Services

State Hospitals

Statewide Health
Planning and
Development

Theresa “Terry” DeBell, RN, is the President of CASHPCR (formerly called California Association of State Hospital Parent Councils for the Retarded), representing families from Fairview and Porterville Developmental Centers. She is the Chair of the Governor’s Advisory Board at Lanterman Developmental Center where her brother Patrick lived for many years.

Terri Delgadillo, MSW, is the Director of the California Department of Developmental Services, the lead agency through which the State of California provides services and support to children and adults with developmental disabilities.

David De La Riva, JD, is the Senior Legal Counsel, California Statewide Law Enforcement Association (CSLEA). David joined CSLEA in 2005 as Legal Counsel where he oversees the day to day operations of the CSLEA satellite office in Huntington Beach and represents the Department of Developmental Services’ peace officers.

Carlos Flores is the Executive Director (ED) of the San Diego Regional Center and Chair of the Association of Regional Center Agencies’ (ARCA) Task Force on services for individuals with challenging needs. He has 38 years of experience in the field of developmental disabilities. Carlos was the Branch Manager for the Prevention and Children’s Services Branch of the Department of Developmental Services. He also has been the ED of the Redwood Coast Regional Center and the Developmental Disabilities Area Board 10 in Los Angeles County.

Dana Hooper, MBA, is the Executive Director of Life Services Alternatives, Inc. (LSA), a nonprofit organization providing specialized residential care for adults leaving Agnews Developmental Center with significant health care needs. This new residential model, often referred to as “962 Homes” based on the authorizing statute, was later expanded for use with the Lanterman closure. In addition to five 962 homes in Santa Clara County, LSA operates licensed Community Care Facilities with specialized residential services. A technology industry veteran with extensive sales and marketing experience, Dana is a former Board President of the San Andreas Regional Center and the parent of a consumer served in supported living.

Connie Lapin is a co-chair of the Government Relations Committee for the Autism Society of Los Angeles. She is a speech pathologist, lecturer and consumer advocate for children and adults with Autism Spectrum Disorders and other developmental disabilities. Her son, Shawn, has autism.

Kevin MacDonald, MBA, has been the CEO of The Arc of Los Angeles and Orange Counties for the past 20 years. The Arc provides work and day services. Kevin established The Arc’s Center for Human Rights. He did his Masters Internship at Fairview Developmental Center in Orange County.

Christine Maul, PhD, CCC-SLP, is a speech language pathologist and assistant professor in the Department of Communicative Disorders and Deaf Studies at California State University, Fresno. She is a parent of a resident at Porterville Developmental Center.

Kathleen Miller, LCSW, is President of the Parents Hospital Association for Sonoma Developmental Center (SDC), an organization that represents the families and friends of the SDC residents. Kathleen previously worked as a clinical social worker at SDC. Her son Dan is a resident at SDC.

Marty Omoto is an Advocate and Founder of the California Disability Community Action Network (CDCAN). He publishes a newsletter about the state budget and legislation with a following of over 65,000 people across the state. Marty had an older sister with developmental disabilities.

Roy Rocha is the President of the board of People First of California. He was previously vice president of People First of California and president of People First of Bakersfield. Roy works for Kern Regional Center where he helps other individuals with disabilities to access services.

Robert Riddick, LCSW, is Executive Director of the Fresno-based Central Valley Regional Center covering Kings, Fresno, Madera, Mariposa and Merced counties, as well as, Tulare County where the Porterville Developmental Center is located. Robert is also Chair of the Association of Regional Center Agencies’ (ARCA) Community Placement Plan Committee.

Will Sanford is a long-time advocate for persons with disabilities and the Executive Director of Futures Explored, Inc., a community-based organization that provides a wide variety of day and vocational training programs to over 500 individuals with developmental and other disabilities each year.

Savaing Sok is a member of People First of California- Region 4 for Sonoma, Solano and Napa Counties. He is a 21-year-old resident of Sonoma Developmental Center and a member of the center's Human Rights Committee.

Kecia Weller is a member of the California State Council on Developmental Disabilities. Weller was formerly a teacher's assistant at the University of California, Los Angeles Extension Pathway Program, and has been a county supervisor appointee on the Los Angeles County Commission on Disabilities since 2002.

Brad Whitehead is a California-licensed Psychiatric Technician at Lanterman Developmental Center in Pomona where he has provided a broad range of medical and therapeutic services to center residents. Brad also serves as Lanterman Chapter president for the California Association of Psychiatric Technicians.

Note: The Assembly Speaker and the Senate President Pro Tem each designated one member to represent the Legislature.

Assemblymember Mark Stone (D-Monterey Bay) was appointed by Assembly Speaker John A. Pérez to the Future of the Developmental Centers Task Force. As Chair of the Assembly Committee on Human Services, Mr. Stone has played a key role in considering policy to improve the lives of the developmentally disabled.

Senator Bill Monning (D-Carmel) was appointed by Senate President pro Tempore Darrell Steinberg to the Future of the Developmental Centers Task Force. He is the Chair of the Senate Budget Subcommittee No. 3 on Health and Human Services, and was instrumental in the implementation of federal health care reform in California.

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ATTACHMENT 2

Chronology of DS Task Force & Workgroup Meetings	1 page
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Chronology of the DS Task Force



ATTACHMENT 3

DS Task Force Public Meeting Materials..... 17 pages

- July 24, 2014
- October 8, 2014
- June 5, 2015
- October 28, 2015
- April 13, 2016
- February 15, 2017

Developmental Services (DS) Task Force
Meeting Handouts for July 24, 2014

1. Meeting Agenda.....1 page

Agenda for Reconvening of Developmental Services Task Force

Thursday, July 24, 2014
10:00 am - 4:00 pm

Sutter Center for Health Professions
First Floor Aristotle & Plato Meeting Rooms
2700 Gateway Oaks Drive
Sacramento, CA 95833

Conference Call Option: Dial-In: **1-888-469-2156**
Participant Verbal Passphrase: **CHHS**

- I. Welcome & Introductions
- II. Review of Task Force Work So Far
- III. Discussion of Task Force Members' Expectations and Goals- Moving the Community System Forward
- IV. Identifying Major Issues to Be Examined
- V. Lunch
- VI. Discussion of What Data and Expertise the Task Force Needs to Progress in its Work
- VII. Discussion of Process and Next Steps
- VIII. Public Comment

Developmental Services (DS) Task Force
Meeting Handouts for October 8, 2014

1. Meeting Agenda.....	1 page
2. Subject Areas for Discussion	2 pages
3. Press Release, Dated September 30, 2014 (See Attachment 1).....	2 pages
4. Summary from July 24, 2014 Meeting (See Attachment 4)	9 pages

Agenda for Developmental Services Task Force Meeting

Wednesday, October 8, 2014
10:00 am - 4:00 pm

California Department of Health Care Services
First Floor Conference Room, 1700 K Street
Sacramento, CA 95814

Conference Call Option: Dial-In: **1-800-779-8389**
Participant Verbal Passphrase: **DS TASK FORCE**

- I. Welcome & Introductions
- II. Summary of July 24, 2014 Developmental Services Task Force Meeting and the California Department of Developmental Services (DDS) - Developmental Centers (DC) Task Force Implementation Workgroup Meetings
- III. Subject Areas from Last Meeting
- IV. Discussion of Each Subject Area
- V. Lunch
- VI. Continued Discussion of Each Subject Area
- VII. Discussion of Process and Workgroup Approach
- VIII. Public Comment

DEVELOPMENTAL SERVICES TASK FORCE

SUBJECT AREAS FOR DISCUSSION ON OCTOBER 8, 2014

Based on the July 24, 2014, meeting, the following organization of subject areas, and possible topics within those areas, has been identified for consideration by the Task Force. Input is needed from the Task Force on:

- The organization of the subject areas and possible scope;
- The relative priorities of the subject areas and the topics within the subject areas;
- What data are needed;
- How to identify the participants of each workgroup;
- What expertise is needed; and
- How to move forward.

SUBJECT AREAS FOR DISCUSSION

1. Future Services and Service Policies

Possible scope:

- Service trends, emerging issues and unmet needs
- The new Centers for Medicare and Medicaid Services (CMS) regulations for Home and Community-Based Services
- Past service reductions and freezes
- Service changes occurring throughout the California Health and Human Services Agency
- Policies and services that are needed

2. Service Rates, the Rate-Setting Structure and Sustainability

Possible scope:

- The rate structure and rate-setting methodologies
- Factors impacting sustainability
- New development and innovation
- Cost of living and geographical considerations
- Minimum wage changes
- Initiatives that will strengthen community services

3. Regional Centers

Possible scope:

- Regional center services and requirements
- Caseload ratios
- The core staffing formula and regional center funding
- Standardizing regional center functions
- Equity considerations

4. Employment and Higher Education Opportunities

Possible scope:

- Meaningful opportunities for education and employment
- The new CMS regulations for Home and Community-Based Services
- The Workforce Innovation and Opportunity Act
- The Workforce Investment Board/boards
- Benefits management for consumers

5. Medical, Dental, Mental Health and Durable Medical Equipment

Possible scope:

- Medication management and protocols
- Access to psychiatric and mental health services locally
- Safety nets for medical and mental health services
- Access to dental anesthesia
- Access to durable medical equipment and services
- Use of developmental center resources
- The impact/role of managed care
- Services funded by the Mental Health Services Act grants

6. Housing and Ensuring Safety

Possible scope:

- Affordable housing and housing needs
- Successful housing models and investments
- Safety net(s)
- The stability and qualifications of the workforce
- Consumer health and safety, and protecting against abuse
- Use of developmental center resources

Developmental Services (DS) Task Force
Meeting Handouts for June 5, 2015

1. Meeting Agenda.....1 page

2. Update on DC Task Force Recommendations 2 pages

3. Rates Workgroup Summary (See Attachment 5)1 page

4. Regional Center Operations Workgroup Summary (See Attachment 5).....1 page

Agenda for Developmental Services Task Force Meeting

Friday, June 5, 2015
10:00 am - 3:00 pm

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

Conference Call Option: Dial-In: **1-888-658-8648**
Participant Passcode: **4071494**

- I. Welcome by Secretary Diana Dooley & Introductions**
- II. May Revision Budget Overview and Discussion**
- III. Update on Implementation of Developmental Centers
Task Force Recommendations**
- IV. Lunch**
- V. Review of Workgroup Products and Discussions**
 - a. Rates
 - b. Regional Center Operations
- VI. Public Comment**
- VII. Next Steps**

DC Task Force Recommendations and Follow-Up

As of June 4, 2015

In implementing recommendations made by the Health and Human Services Agency Task Force on the Future of Developmental Center (DC Task Force) in their January 13, 2014, "Plan for the Future of Developmental Centers in California" report, the Department of Developmental Services (DDS) held a series of three, 2-day stakeholder meetings that took place in Fresno, Los Angeles and Sacramento in the fall of 2014. Each workgroup included a diverse group of stakeholders made up of consumers, family members, organizations representing consumers and consumer advocates, regional centers, clinical representatives, legislative members, employees and providers.

Each meeting was structured the same way to allow workgroups to consider the five DC Task Force topics included in the 2014-15 Budget: Acute Crisis Units at Sonoma and Fairview Developmental Centers; Community State Staff Program Expansion; Developmental Center Resident Transition Planning, and New Models of Care - Enhanced Behavioral Supports Homes and Community Crisis Homes.

A 20-page document titled, "Consolidated Comments from DC Task Force Implementation Workgroups," was completed to summarize the comments from all three stakeholder workgroup meetings regarding the five topics as well as public comments that were collected through September 30, 2014. This document was distributed to meeting participants as well as posted on the DDS website.

Since the stakeholder meetings concluded, DDS is continuing to engage stakeholders, develop regulations specific to the recommendations and identify additional ways to meet the needs of DC residents in the community through the Community Placement Plan (CPP) process and funding.

Below is a table summarizing activities in each of the 6 DC Task Force Recommendation areas.

Recommendation 1	Update
<ul style="list-style-type: none">• More community style homes/facilities should be developed to serve individuals with enduring and complex medical needs using existing models of care.	<ul style="list-style-type: none">• 10 Adult Residential Facilities for Persons with Special Healthcare Needs (ARFPSHN) home projects were approved in 2014-15 and 7 are currently expected in 2015-16. We anticipate RCs will develop, consistent with individual comprehensive assessments, additional ARFPSHNs.
Recommendation 2	Update
<ul style="list-style-type: none">• For individuals with challenging behaviors and support needs, the State should operate at least two acute crisis facilities (like the program at Fairview DC), and small transitional facilities.• The State should develop a new "Senate Bill (SB) 962 like" model that would provide a higher level of behavioral services.• Funding should be made available so that regional centers can expand mobile crisis response teams, crisis hotlines, day programs, short-term crisis homes, new-model behavioral homes, and supported living services for those transitioning to their own homes.	<ul style="list-style-type: none">• Incorporating stakeholder input, the Acute Crisis Units at SDC and FDC were developed, and are now open. SDC's unit has 2 residents and FDC's has 2.• Enhanced Behavioral Supports Homes (EBSHs) and Community Crisis Homes (CCHs) were established as new models of community residential services as part of the 2014-15 Budget.• 6 EBSH projects were approved by DDS through the 2014-15 CPP and an additional 6 EBSH projects are slated for approval in 2015-16. Stakeholder input informed the development of EBSH draft regulations, which are projected for release in summer 2015.• Additional residential models and non-residential service projects were approved for development,

	<p>based on stakeholder input, in the 2014-15 CPPs. These projects include Crisis Teams, 2 Transition Homes, Service Provider Training and Clinical Supports. Additional funding for these services specific to SDC closure have been proposed in the May Revision of the Governor's 2015-16 Budget.</p>
Recommendation 3	Update
<ul style="list-style-type: none"> For individuals who have been involved in the criminal justice system, the State should continue to operate the Porterville DC-STP and the transitional program at Canyon Springs Community Facility (Canyon Springs). Alternatives to the Porterville DC-STP should also be explored. 	<ul style="list-style-type: none"> The State plans to continue operating the Secure Treatment Program (STP) at PDC and the transitional program at Canyon Springs. The May Revision proposes to expand the number of STP beds to 211 in 2015-16. DDS continues working to establish secure perimeter/delayed egress homes to meet this need in the community.
Recommendation 4	Update
<ul style="list-style-type: none"> The development of a workable health resource center model should be explored, to address the complex health needs of DC residents who transition to community homes. 	<ul style="list-style-type: none"> With the statewide expansion of the Community State Staff Program (CSSP), DDS is looking for opportunities to staff clinics or health resource centers with the expert, specialized staff who work in the DCs. Additionally, DDS will be examining the viability of developing health resources on DC property.
Recommendation 5	Update
<ul style="list-style-type: none"> The State should enter into public/private partnerships to provide integrated community services on existing State lands, where appropriate. Also, consideration should be given to repurposing existing buildings on DC property for developing service models identified in Recommendations 1-4. 	<ul style="list-style-type: none"> DDS is working with CalPoly Pomona to ensure the ability to use some of Lanterman for housing projects to benefit people with developmental disabilities as the property transitions to the state university system. DDS will continue to engage stakeholders and review potential options for repurposing existing structures on DC land. DDS, working with DGS, is proposing language as part of the May Revision that will allow the former Shannon's Mountain project to move forward.
Recommendation 6	Update
<ul style="list-style-type: none"> Another task force should be convened to address how to make the community system stronger. 	<ul style="list-style-type: none"> The Developmental Centers Task Force was repurposed, renamed the Developmental Services Task Force (DS Task Force) and convened in July 2014. The DS Task Force identified several areas of concern and prioritized "Rates" and "Regional Center Operations" for workgroup meetings to identify potential solutions/relief measures.

Developmental Services (DS) Task Force
Meeting Handouts for October 28, 2015

1. Meeting Agenda.....1 page

2. Summary from the June 5, 2015 Meeting (See Attachment 4)..... 11 pages

Agenda for Developmental Services (DS) Task Force Meeting

Wednesday, October 28, 2015
10:00 am - 3:00 pm

State Building & Construction Trades Council
1231 "I" Street, Suite 303 – Large Meeting Room,
Sacramento, CA 95814

Conference Call Option: Dial-In: 1-888-230-6285

There is not a passcode; the AT&T operator will ask you what meeting you are joining.
Please say: "DS Task Force Meeting." Callers are encouraged to dial-in about 5-10 minutes before 10:00 a.m. to ensure they are connected to the meeting before it starts.

- I. Welcome by Secretary Diana Dooley & Introductions**
- II. Budget Overview**
 - a. Special Session
 - b. What Happens Next
- III. Updates**
 - a. Developmental Center (DC) Closures
 - i. Sonoma DC
 - ii. Porterville DC (General Treatment) and Fairview DC
 - b. Rates
- IV. Lunch**
- V. Updates, Continued**
 - a. Regional Center (RC) Operations
 - b. Home and Community-Based Services (HCBS) Advisory Group
- VI. Public Comment**
- VII. Next Steps**
 - a. Future Workgroups
 - i. Medical & Mental Health Services & Supports
 - ii. Housing & Employment

Developmental Services (DS) Task Force
Meeting Handouts for April 13, 2016

1. Meeting Agenda.....1 page

2. Fact Sheet: Boosting California’s Minimum Wage to \$15/Hour 1 pages

3. Summary from the October 28, 2015 Meeting (See Attachment 4)..... 10 pages

Agenda for the Developmental Services (DS) Task Force Meeting

Wednesday, April 13, 2016
10:00 am - 3:00 pm

California Dept. of Health Care Services Annex Building
1st Floor Conference Room – 1700 K St. (between 17th & 18th Streets)
Sacramento, CA 95814

Conference Call Option - Dial-In: 1-800-230-1074

Please provide the AT&T teleconference operator with the verbal password: “CHHS” (which stands for California Health and Human Services Agency). Please dial-in ten minutes prior to the 10:00 am meeting start time to allow time to register.

I. Welcome & Introductions

- a. New DDS Director, Nancy Bargmann

II. Updates

- a. Managed Care Organization (MCO) Tax Reform/Funding
- b. Minimum Wage Increase
- c. Rate Study

III. Lunch

IV. Updates, Continued

- a. Self-Determination
- b. Home and Community-Based Services (HCBS) Waiver
- c. Developmental Center (DC) Closures

V. Public Comment

VI. Next Steps

- a. Community Supports and Safety Net Services Workgroup
- b. Future Workgroup Meetings
 - i. Housing & Employment

Fact Sheet: Boosting California's Minimum Wage to \$15/Hour

Scheduled Wage Increases (If No Increases Are Paused)

	<u>26 Employees or More</u>	<u>25 Employees or Less</u>
\$10.50/hour	January 1, 2017	January 1, 2018
\$11/hour	January 1, 2018	January 1, 2019
\$12/hour	January 1, 2019	January 1, 2020
\$13/hour	January 1, 2020	January 1, 2021
\$14/hour	January 1, 2021	January 1, 2022
\$15/hour	January 1, 2022	January 1, 2023

Off-Ramp Provisions

Governor can choose to pause any scheduled increase for one year if either economy or budget conditions are met. The increase to \$10.50/hour is not subject to off-ramps. Initial determination of Governor by August 1 of each year prior to a January increase. The Governor makes the final determination by September 1.

1. Economy

Governor has the ability to pause an increase if seasonally adjusted statewide job growth for either the prior 3 or 6 months is negative and retail sales receipts for the prior 12 months is negative.

2. Budget

Governor has the ability to pause an increase if any year from the current budget year to two additional years is forecasted to be in deficit when including the next scheduled increase. Pursuant to Proposition 2, a multiyear forecast is adopted as part of the annual Budget Act. A deficit is if the operating reserve is projected to be negative by more than 1 percent of annual revenues, currently about \$1.2 billion. The budget off-ramp can only be used twice.

Indexing

Index annually for inflation (national CPI) beginning the first January 1 after small businesses are at \$15/hour. Floor of 0 percent (no decreases) and a ceiling of 3.5 percent. Off-ramps do not apply once the state gets to \$15/hour.

IHSS Sick Days

Implementation of one sick day in July 2018. Second day added in the first July following \$13/hour implementation for larger businesses, and third day added following \$15/hour implementation.

Effect on Workers

There are approximately 7 million hourly workers in California. Almost 2.2 million workers are currently paid minimum wage.

Annual income of full-time work at minimum wage:

2016 at \$10 per hour:	\$20,800
2022 at \$15 per hour:	\$31,200

For comparison, the Federal Poverty Level for 2016 is \$24,300 for a family of 4.

Developmental Services (DS) Task Force
Meeting Handouts for February 15, 2017

1. Meeting Agenda.....1 page

2. Summary from the April 13, 2016 Meeting (See Attachment 4)..... 12 pages

3. Summary from the Community Supports and Safety Net Workgroup
(See Attachment 5) 4 pages

4. Summary from the Employment Workgroup (See Attachment 5)..... 3 pages

Agenda for the Developmental Services (DS) Task Force Meeting

Wednesday, February 15, 2017
10:00 am - 3:00 pm

California Dept. of Health Care Services Annex Building
1700 K Street – First Floor Conference Room
Sacramento, CA 95814

Conference Call Option: Dial-In: 1-800-230-1059

Please provide the AT&T teleconference operator with the **verbal password: “CHHS”** (which stands for California Health and Human Services Agency). Please dial-in ten minutes prior to the 10:00 am meeting start time to allow time to register.

- I. Welcome & Introductions**
- II. Updates**
 - a. State Budget
 - a. Self Determination
 - b. Home and Community Based (HCBS) Waiver
 - c. Developmental Center (DC) Closures
 - d. Rate Study
- III. Recommendations of the Community Supports and Safety Net Services Workgroup**
 - a. Statewide Department of Developmental Services (DDS) Safety Net Stakeholder meetings
- IV. Lunch**
- V. Recommendations of the Employment Workgroup**
- VI. Public Comment**
- VII. Next Steps**
 - a. Housing Workgroup

ATTACHMENT 4

DS Task Force Public Meeting Summaries 61 pages

- July 24, 2014
- October 8, 2014
- June 5, 2015
- October 28, 2015
- April 13, 2016
- February 15, 2017

DEVELOPMENTAL SERVICES TASK FORCE: STRENGTHENING THE COMMUNITY SYSTEM

Thursday, July 24, 2014 – 10:00 am to 4:00 pm

**Sutter Center for Health Professions
2700 Gateway Oaks Drive, Sacramento, CA 95833**

MEETING SUMMARY

BACKGROUND

Diana S. Dooley, Secretary of the California Health and Human Services Agency (CHHS), reconvened the Task Force that developed the Plan for the Future of Developmental Services in California (the Plan) issued January 13, 2014. During its previous work, the Task Force identified a number of community issues that were impacting the delivery of community services and their long-term sustainability. Recognizing that the community system issues were beyond the scope of its 2013 work, the Task Force included Recommendation 6 as part of the Plan, calling for another task force to be formed to address ways to make the community system stronger. Additionally, during the development of the Budget Act of 2014-15, the Legislature expressed specific interest in updating the core staffing formula for regional centers and the rate-setting methodologies for community-based services. In response, the Governor directed the CHHS to convene a task force to review both of these items and other community issues that were identified in the Plan.

On July 24, 2014, Secretary Dooley reconvened the original Task Force, made up of consumers, consumer advocates, regional centers, community service providers, organized labor, families of developmental center residents, members of the Legislature and the Department of Developmental Services (DDS). The Task Force had successfully come together, despite differences in experiences and perspectives, to produce a set of recommendations to chart a course for the future of the developmental centers in the Plan. This Task Force is uniquely positioned to build on this success by examining services in the community.

Secretary Dooley welcomed the 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 the focus of the meeting to be Recommendation 6 from the Plan, indicating that the work of this group will be to first frame the agenda, how to go forward and what we want to achieve. The focus should be on building anew and not simply restoring what was. Further, the group will be identifying whether additional expertise is needed relevant to Recommendation 6.

Before getting into the agenda, Secretary Dooley also shared her concerns that the results of the resurvey at Sonoma Developmental Center are expected as soon as tomorrow (July 25, 2014) when an exit interview will be conducted. The Secretary shared that she was prepared for disappointing news given the delay in receiving the results. The State will continue to provide services in the most compassionate, responsible and efficient way possible, but she anticipates that challenges will continue.

John Doyle, Chief Deputy Director, DDS, provided a brief summary of the positive actions taken in the DDS budget this year. First, additional resources were provided to move forward with the Task Force recommendations in the Plan. Specifically, \$13 million in Community Placement Plan funds was re-appropriated from prior years. The funding will be used to develop the enhanced behavioral supports homes and the community crisis homes, and Regional Center staffing to support development efforts among other services. The development process will include stakeholder meetings in Southern, Central and Northern California tentatively scheduled to occur in late August and early September. DDS also received new General Fund money to develop acute crisis centers at both Sonoma and Fairview Developmental Centers.

Additionally, the Legislature, with Administration support, restored eligibility in the Early Start Program. DDS received \$7.9 million in General Fund to return Early Start to the pre-2009 level beginning January 1, 2015.

Secretary Dooley then laid out the process to be followed by the Task Force. The Task Force members were asked to identify their expectations and the major issues to be examined, what they need to know to address those issues, and what expertise and representation is needed to proceed. Once an inventory of issues is identified, they will be organized so that the Task Force can utilize a workgroup process, as they did in 2013. The workgroups will meet between Task Force meetings to work through the data that are needed to inform recommendations. The Secretary cautioned that the resulting recommendations will need to be supported by solid evidence and data so that they can be effectuated through the legislative process.

COMMUNITY ISSUES

The meeting was opened to Task Force input and discussion, followed by public comment. Below is a high-level summary of the key points made by the meeting participants regarding the community.

Discussion Themes

Throughout the discussion, themes that are important to the developmental disabilities services system were identified, including:

1. Protecting the spirit and intent of the Lanterman Developmental Disabilities Services Act (Lanterman Act);

2. Person-centered (“whole person”) planning using multidisciplinary teams with consumer and family participation, and the Individual Program Plan;
3. Comprehensive transition planning;
4. Ensuring a residential placement of last resort (that “can’t say no”), otherwise referred to as a “safety net” for individuals who have challenging service needs;
5. Supporting a stable and qualified workforce in the community;
6. Protecting individuals from harm and abuse;
7. Building transparency, accountability and fiscal responsibility into the system to ensure quality services and sustainability;
8. Creating a system of services that is flexible and reflects what people want. Emphasis should be placed on consumer employment.
9. Health and safety exemptions to provide needed flexibility;
10. Regulatory requirements and guidelines that are not unnecessarily restrictive or duplicative and focus on positive outcomes; and,
11. Self-Determination as a way to look at things differently, and allow choice and flexibility.

Issues and Considerations

Specific issues affecting the delivery of services in the community and factors to be considered were identified by individual Task Force members for possible examination, as follows:

1. The core community issue is sustainability, or how does the system guarantee services in the future, with the key component being correct and appropriate rate-setting methodologies to encourage development, innovation and the longevity of services as a business.
2. Another key element of the system is affordable housing, which is closely associated with the cost of care/labor.
3. The work of the Task Force needs to be based on reality; recognizing that funding is rarely adequate and eligibility for services may not reach all who need it.

4. The issues should first be triaged for those that need to be addressed immediately, versus those that are longer-term. Time frames for the work should be established that consider priorities and the timing of the budget cycle.
5. When redesigning the community system, it should reflect new trends and federal modeling/encouragements indicated by recent Centers for Medicare and Medicaid Services (CMS) regulations. Consider the impacts of the CMS regulations and how we transition to the future. The impact of federal funding must be taken into account. Also consider long-range public policy.
6. Important to the examination of community issues is a services inventory, including services that have been impacted by rate reductions or freezes. There should be a correlation between funding and the services that are provided.
7. Resources are not unlimited. Priorities need to be established for preferred models of service for meeting peoples' needs, including those that provide a safety net. We need to understand where the gaps are now and in the future. We should encourage new development and innovation.
8. Look at system reductions over recent history (since 2009) and examine the impact in light of savings, and current and future requirements. Consider if they affected how we support people at home. Align our system changes with other systems' changes (e.g., In-Home Supportive Services as part of managed care).
9. As programs and services are redesigned, build in data collection, accountability, reporting (that is not intrusive for the consumer) and fiscal responsibility. Also, develop a funding structure for programs.
10. When examining the system, consider the changing composition of the population and the funding impacts, especially for serving individuals with autism. Consider needs that are still emerging and cultural competency.
11. Re-envision supports for all populations, and consider whether supports are adequate for families to care for consumers at home.
12. Examine the issue of equity in providing regional center services in light of the diverse populations served and geography. Also determine to what degree regional centers should be standardized.
13. Determine what the role of the State should be in the future of our system, and in providing services for individuals who are difficult to serve.

14. Define quality (less about ratios and more about staffing stability), and build quality and flexibility into our system.
15. Address gaps and funding for services in the primary areas of medical care, dental care and mental health services (especially psychiatry). Also, ensure proper medication protocols/management and durable medical equipment.
16. Consider creating a new fund for community development to support new service models.
17. Review regulations, licensing requirements, oversight mechanisms and regional center functions to be sure we are getting value. Improve the overall regulatory scheme to reduce duplication.
18. Ensure meaningful caseload ratios for regional center case management.
19. Utilize technology so that important information can be shared among the regional center, service providers and the State.
20. Improve the coordination of services at the local level, especially between regional centers and county mental health services for individuals with autism.
21. Consider using developmental center resources to support the community, as recommended in the Plan.

TASK FORCE REPRESENTATION

In response to Secretary Dooley's request for suggestions as to possible changes and additions to the Task Force, and to augment the workgroups, the meeting participants identified the following representation and considerations:

1. Greater consumer representation from the community;
2. Independent family members and parents of consumers living in the community, including representation for school-age children and early intervention services;
3. Various service providers that represent currently non-represented services such as Intermediate Care Facilities, Community Care Facilities, Supported Living Services, Early Intervention and employment services. Also consider additional representation from regional center service provider groups;
4. Union representation from the community;

5. Involve other service partners in the discussions, such as the California Department of Education, the California Department of Rehabilitation, the California Department of Health Care Services, workforce investment boards and county mental health services;
6. As representatives are selected, consider the cultural and ethnic diversity of the group;
7. Consider including expertise in accessing medical and mental health services; and,
8. Consider adding Tony Sauer, former Director of the California Department of Rehabilitation, on employment issues.

DATA INQUIRIES AND ANALYSES

Throughout the discussion, the Task Force identified various data interests and lines of inquiry and analysis for the work ahead, as follows:

1. Evaluate data for onsite (developmental center) crisis services versus jails for 2013;
2. Undertake an unmet-needs assessment, including what services are being requested the most;
3. Review the system reductions. Determine what the impact was and whether anything compels their restoration. Consider them in light of federal requirements;
4. If possible, compile data on abuse in the community, being careful that it is not intrusive for consumers;
5. Look at current and projected populations (trend data since approximately 2008) to identify future service needs;
6. Use data from the National Core Indicators (NCI) surveys, the Client Development Evaluation Reports (CDER) and other sources of information to assess the value, quality and equity of services;
7. Review closure processes to identify successes in the community;
8. Identify incremental housing needs based on aging consumers and parents;

9. Look at what regional centers are required to do today, what has changed over time, and evaluate the need to adjust the core staffing formula;
10. Identify creative regional center efforts to promote health and safety and encourage best practices;
11. Look at sustainability of the investments that have been made in program development;
12. Look at transition data for individuals between the ages of 18 and 25 and the impact on services, especially employment issues. Evaluate how individuals with autism are transitioning to adulthood;
13. Consider geographical impacts on services;
14. Evaluate the effectiveness of Special Incident Reporting on health and safety;
15. Consider the regional center comprehensive assessments and what they tell us about service needs;
16. To the degree possible, consider cost of service data from other states;
17. Develop a syllabus, or library of information for the Task Force to access. Include:
 - Waivers
 - NCI data
 - A glossary of terms
 - Explanation of funding and rates
 - The ways our system is regulated
 - The core staffing formula
 - The Association of Regional Center Agencies' reports on Regional Center Operations and Program Funding
18. Look at the services funded by the Mental Health Services Act (MHSA) grants for regional centers and determine their results;
19. Compile data on individuals with challenging service needs by regional center;
20. Compile data on the cost of living across the State as well as housing costs to inform "sustainability;"
21. Look at the impact of existing and future minimum wage levels;

22. Consider the survey of families that is being conducted at Sonoma Developmental Center. It should be available for the Task Force in September 2014;
23. Identify the prior residence of individuals who are being served at the Canyon Springs Community Facility;
24. Analyze median rates and how many providers are below them today versus when median rates were first implemented;
25. Look at the impact of the reduction in days for day programs;
26. Consider the cost of starting up new/replacement services and how they can be funded/reimbursed;
27. Look at data dealing with the tapering of medications in Supported Living Services;
28. Assess the success of different housing settings/approaches that have recently been developed;
29. Look at the impact of the new federal rules, particularly on Self-Determination;
30. Compare the cost of services in California to other states;
31. Look at consumers who are 50 years or older and still living with their families. Consider how to co-support the consumers and their parents in the future;
32. Look at vacancy rates for the residential resources we have;
33. Evaluate how well we are serving different ethnic communities;
34. Compile demographic data for individuals being served (previously done for the Purchase of Service Study);
35. Compile an inventory of service changes within CHHS (e.g., the universal assessment tool, and the Multi-Purpose Senior Services Program);
36. Evaluate the accountability and the quality assurance measures put in place for the coordinated care initiative;
37. Evaluate higher education opportunities and how those might be achieved (e.g., the Way Finders Program); and,

38. Look at the issue of benefits management and the risk of losing services for those who are employed.

NEXT STEPS

Secretary Dooley indicated that the Task Force will proceed as a “rolling process” with no pre-set end date. The next step will be to summarize the meeting and share it with the Task Force. The Task Force will help organize the approach to be taken and the workgroups will begin their work. The Secretary supported the triage approach. We will be using an incremental process that will inform CHHS as we move forward.

The next Task Force meeting will tentatively be scheduled for early October 2014.

DEVELOPMENTAL SERVICES TASK FORCE: STRENGTHENING THE COMMUNITY SYSTEM

**Wednesday, October 8, 2014
10:00 to 4:00 pm**

**California Department of Health Care Services
1700 K Street, First Floor Conference Room
Sacramento, CA 95814**

MEETING SUMMARY

Diana S. Dooley, Secretary of the California Health and Human Services Agency (CHHS), opened the second meeting of the Developmental Services Task Force (Task Force) by welcoming the members and introducing the five new members announced in a Press Release on September 30, 2014 (available on the CHHS website). Based on the first meeting on July 24, 2014, the representation of the Task Force has been expanded in very specific ways. Secretary Dooley expressed her appreciation for everyone's participation, commitment and contributions, and looks forward to getting acquainted and working together.

After introduction of all of the members in attendance, Secretary Dooley reflected on the work of the previous Task Force on the Future of Developmental Centers (Developmental Centers Task Force), when one year ago its work was coming to closure. Many of the recommendations became part of the budget for 2014-15, and work is progressing. Now, this Task Force will be addressing community services, as reflected in the Plan for the Future of Developmental Centers in California, Recommendation 6. The scope is much larger and will take longer, but the work is no less important.

Efforts to implement the Developmental Centers Task Force's recommendations were reviewed by Nancy Bargmann, Deputy Director, Community Services Division, Department of Developmental Services (DDS). Work is in progress to address additional recommendations as approved through the budget process. Three interactive workgroups were held in Southern, Central and Northern California. The Department of Social Services participated as well, so two State departments were benefitting from the input. Significant dialog and information were received on the following topics:

- Implementation of the two new models of care--the enhanced behavioral supports homes and the community crisis homes;

- Resident transitions from developmental centers;
- The Community State Staff program; and
- Acute crisis services at Fairview and Sonoma Developmental Centers.

DDS is using the information to develop emergency regulations for the new model homes. Also, a workgroup has been established to address the development of rates for the homes. There will be a summary of the information from the three workgroups released in the next few weeks, and the documents will be available on the DDS website. Stakeholder input will be an essential part of the ongoing process.

Action Item. No specific notice had been sent out to the Task Force members in advance of the three workgroup meetings on recommendations related to the future of the developmental centers. There was a request and a commitment to provide this information in the future.

The primary focus of the meeting was six subject areas identified for Task Force consideration based on the July 24, 2014, meeting. In this meeting the discussion focused on whether these six subject areas are the right six and what path we should follow. Santi J. Rogers, Director of DDS, walked the members through a handout that identified the six subject areas for consideration and discussion, including topics of possible focus within the subject areas. He described the subject areas as six dynamic buckets, any one of which can be a lifetime of study and application. The Secretary noted that the scope will take some time. Since it cannot all be done at once, the topics need to be prioritized and sequenced.

The discussions that proceeded focused on the six subject areas, suggesting modifications to the subjects and scope, stressing urgent areas, identifying guiding principles and topics that affect all of the areas, and further identifying data needs. The information has been organized accordingly, below.

Guiding Principles

The Task Force expressed strong interest in capturing the principles that should be fundamentally included in every subject area and used as a goal or guide when considering changes to the community system. Also, it was recognized that some topics, such as the 2014 Centers for Medicare and Medicaid Services (CMS) regulations on Home and Community Based Services (HCBS), will necessarily have an impact on each area. Specifically, the overarching principles and topics for consideration under each subject area are:

1. The Lanterman Developmental Disabilities Services Act guarantees regional center services for the life of the consumer, thereby creating an entitlement program in California.

2. The core component of the service delivery system is a comprehensive person-centered Individual Program Plan (IPP), also referred to as a whole person or authentic IPP, which is carefully crafted and enables choice.
3. Consumers must be empowered to make choices and receive the services and supports they need to lead more independent and productive lives in the least restrictive environment appropriate for the individual. Consumers must be at the center of any problem analysis or solution, with the objective of providing services that people want. Emphasis should be placed on consumer choice, self-determination and consumer-directed services.
4. Ensuring consumer health and safety is critical, which includes protecting individuals from harm and abuse, and providing appropriate crisis intervention and response.
5. Services must be culturally and linguistically appropriate and responsive to the consumer and his or her family.
6. Any model of care or service must receive sufficient and stable funding to be successful in accomplishing its goal and be sustainable. The adequacy of resources is an issue that permeates all aspects of the service system.
7. The tenets of community integration and access reflected in the 2014 CMS regulations for HCBS must be incorporated throughout the service system, including but not limited to consumer choice; consumer independence; consumer rights to privacy, dignity and freedom from coercion and restraint; opportunities for integrated employment; and settings that meet consumer-specific provisions based on these principles.
8. There must be fiscal accountability, transparency and fiscal responsibility in the service system, including maximizing the use of federal funding.
9. An appropriate framework for monitoring and quality assurance should be built into services.
10. Technology should be utilized.
11. Developmental center resources (land, staff and buildings) should be leveraged or made available to benefit consumers in the community.
12. Flexibility should be incorporated into the system to address choice and special circumstances, such as allowing Health and Safety exemptions.

Modifications to the Six Subject Areas

Individual Task Force members identified clarifications, additions, consolidations and revisions to the six subject areas that were presented. Based on the various comments, the six subject areas were consolidated into five, and possible topics for discussion within those subject areas have been modified, as follows:

1. Service Rates and the Rate-Setting Structure

- a. The rate structure, rate-setting methodologies and changes that are needed
- b. Service reductions and freezes, where we are today, and what services should be restored
- c. Cost-based rates versus other/progressive rate models
- d. Looking at outcomes
- e. Rate structure simplification/streamlining
- f. Predictable rate-setting
- g. Funding direct care versus administration
- h. The stability and qualifications of the workforce
- i. Consumer and family considerations
- j. How to set adequate rates and avoid “cherry-picking” consumers
- k. Factors impacting sustainability, including cash flow
- l. Encouraging new development and innovation
- m. Cost of living and geographical considerations
- n. The sufficiency of rates for services beyond the regional center system, e.g., Medi-Cal, In Home Supportive Services (IHSS), Intermediate Care Facilities
- o. Minimum wage changes including the compaction/compression issue
- p. Overtime/federal Fair Labor Standards Act
- q. Labor standards and other mandated wage changes (legislation, State wage orders, etc.)

2. Regional Center, Provider and Other Community Services

- a. Regional center services and requirements
- b. Caseload ratios, including effective case management, new workload requirements and complexities, and providing essential support
- c. The core staffing formula and regional center funding

- d. Regional center resources to connect consumers with generic services
- e. Audits of regional centers and vendors
- f. Creating efficiencies in regional center functions, where appropriate, such as standardization, automation and best practices
- g. Best practices for providing community services
- h. Best service models and where to invest
- i. Provider solvency/survivability
- j. Family supports, including respite services/respite housing
- k. Trailer bill actions that were not effective
- l. Communication improvements between the regional center and providers outside the regional center system, e.g., Managed Care, IHSS, and the Multipurpose Senior Services Program
- m. Disparities in services among regional centers
- n. Equity issues in service delivery—whether services are provided differently because of access, culture, ethnicity or language differences, a.k.a., the opportunity for services.
- o. Service trends, emerging issues and unmet needs
- p. Service reductions and freezes, where we are today, and what services should be restored
- q. Services that are needed versus services that are not needed
- r. Obstacles that prevent expansion of services and supports that are working, e.g., the median rates
- s. Licensing and vendorization processes, and vendor oversight
- t. Other barriers to services
- u. Generic services
- v. Federal funding
- w. Service changes occurring throughout CHHS departments

3. Employment and Higher Education Opportunities

- a. Meaningful opportunities for education and employment
- b. Job exploration
- c. Transition services versus what schools provide
- d. Benefits management for consumers
- e. Self-determination/consumer choice
- f. Transportation and other access issues
- g. Employment First accomplishments
- h. United States Senator Tom Harkin's minimum wage bill
- i. Increasing supported employment
- j. Changes due to the Workforce Innovation and Opportunity Act
- k. The Workforce Investment Board/boards. Include the Department of Rehabilitation as part of the discussion.

4. Medical, Dental, Mental Health and Durable Medical Equipment

- a. Safety nets for medical and mental health services
- b. Medication management and protocols
- c. Resource development by regional centers
- d. Regional center crisis support teams
- e. Increased access to psychiatric and mental health services locally
- f. Increased access to anesthesia for dental and medical procedures
- g. Increased access to developmental center resources for durable medical equipment and services
- h. Use of technology and assistive devices
- i. The impact/role of Managed Care
- j. Fully informing consumers of the benefits and limitations of Managed Care before transition

- k. Sub-acute care
- l. Medical support in residential settings
- m. Returning home from inpatient/hospital care
- n. Community best practices and migrating/scaling up services where needed
- o. Statewide Specialized Resource Services as an opportunity to coordinate medical, mental health and dental resources
- p. Services funded by the Mental Health Services Act grants

5. Housing

- a. Appropriate and stable residential options
- b. Housing availability versus needs
- c. Community Placement Plan process and involving families/consumers
- d. Successful housing models and investments
- e. Permanent housing stock
- f. Funding development
- g. Flexibility in using housing options, e.g., use of rental property for Supported Living Services
- h. Rental subsidies. Include the Departments of Housing and Community Development, and Health Care Services as part of the discussions on rental subsidy restrictions.
- i. Safety net(s), also referred to as a placement of last resort or a “zero reject” home
- j. Use of developmental center land for housing
- k. Aging consumers and families, and family supports for succession planning
- l. Impact of the CMS regulations for HCBS on residential providers and on the rate structure for housing.

Urgent Areas

There was continued interest expressed in triaging the topics and identifying areas needing urgent action. The following areas were specifically identified:

1. Making the system sustainable
2. Addressing the impact of the CMS regulations on HCBS
3. Overtime under the federal Fair Labor Standards Act
4. Minimum wage changes
5. The IHSS impact to the developmental services system
6. Medical services that support homes

Data and Informational Requests

In addition to the data inquiries and analyses identified in the July 24, 2014, meeting, the following data and materials are needed to inform the Task Force:

1. Action Item. Develop a Library of information that is easily accessible on the web that includes:
 - a. The 2014 CMS regulations on HCBS
 - b. The Association of Regional Center Agencies' reports on Regional Center Operations and Program Funding
 - c. The Bureau of State Audits' report on regional centers (2009)
 - d. The DDS Annual Report on Employment and Day Programs
2. Action Item. The Task Force needs an overview of the CMS regulations for HCBS.
3. Data are needed to quantify the utilization of and the need for housing. Are there any wait lists?
4. Benchmarks are needed for provider rates, such as looking at available cost-of-living indices. The issue is how to measure the cost of service delivery across the State.
5. Action Item. The Task Force needs information on the fundamentals of the rate setting methodologies.
6. Data are needed on the impacts/outcomes from the various reductions and freezes from 2009 forward. Was money saved?
7. What were the results from the fiscal audits?

8. Data that DDS produces, on serving persons with challenging needs, should be looked at to better understand how to address service needs when a facility cannot be locked, e.g., use of delayed egress and secure perimeters.
9. Data are needed on vendors going out of business or other sources of information to determine the health/viability of service providers.
10. What has the impact of median rates been? Determine how many providers are above or below the median rates. Determine the growth or decline in each service category since the median rates were applied. Consider how an across-the-board rate increase would affect them.
11. Look at the number of consumers on the HCBS waiver and how it is structured.
12. Data are needed regarding the forensic population and the mental health population.
13. Data are needed to analyze compliance/noncompliance with the CMS regulations on HCBS and determine what our foundational issues are.
14. Data are needed on how well programs with capitation rates are working, e.g., the Coordinated Care Initiative.
15. Data are needed from the federal Department of Labor audits in California to understand where providers are not in compliance with labor/wage provisions.

Action Item. Secretary Dooley raised the possibility of finding an outside consultant to develop a baseline assessment of the rate system.

Other data requests should be directed to either Kristopher Kent, Assistant Secretary, CHHS, at Kristopher.Kent@chhs.ca.gov, or Jim Suennen, Associate Secretary—External Affairs, CHHS, at Jim.Suennen@chhs.ca.gov.

Next Steps

The next step will be for staff to pull together today's discussion, including reorganizing the topics and capturing the data points. A timeline will be identified for the work moving forward as well as the additional resources to support the work.

**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.
- Reinstatement of 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.

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

Wednesday, October 28, 2015 – 10:00 am to 3:00 pm

**State Building & Construction Trades Council
1231 “I” Street, Suite 303 – Large Meeting Room
Sacramento, CA 95814**

WELCOME AND INTRODUCTIONS

Diana S. Dooley, Secretary of the California Health and Human Services Agency (CHHS), welcomed everyone to the meeting. She introduced Jim Burton, Executive Director of the Regional Center of the East Bay and welcomed him as a new member of the Task Force. She then asked the meeting attendees to introduce themselves.

The Secretary briefly reminded the audience of their history and purpose. Initially the work began with the Task Force on the Future of the Developmental Centers, because a moratorium had been placed on admissions to developmental centers and developmental centers were facing issues of decertification. This Developmental Services Task Force (DS Task Force) followed, since the issues are very much related—the challenges in the community delivery of services are very much related to the services provided in the developmental centers. The focus of the DS Task Force is how to strengthen the delivery of services in the community. Today we will talk about the various workgroups, clarify how we move forward, and provide her with a full understanding of the issues while we are in the process of putting the January budget together. She thanked the DS Task Force for serving as an advisory group around the delivery of services broadly, and providing valuable advice to her personally. The DS Task Force is made up of a cross-section of individuals committed to the care of people who depend on us for these services, and she sincerely appreciates using the DS Task Force as a resource.

The Secretary then announced that Santi Rogers, Director of the Department of Developmental Services (Department or DDS), is retiring as of December 1, 2015. She indicated he was ready to retire two years ago when, instead, he stepped up to transition the leadership of the Department when the previous Director, Terri Delgadillo, retired. Santi embodies the commitment of the Lanterman Developmental Disabilities Services Act (Lanterman Act), and was there at its foundation. The Secretary will proceed to fill the position, first in the interim and then permanently, and invited everyone to communicate their ideas for the next generation of leadership. She expressed her sincere appreciation for all that Santi has done.

Santi shared his perspective on the Lanterman Act, its genesis with “the moms” who were “Here to speak for justice...,” and the significance of it happening in our lifetime. He described his experience as a 12 year old visiting Porterville State Hospital, and how that instilled in him a compelling value of service. He is honored to be a part of the system, which will be a forever relationship for him. He is retiring to be more engaged with his family. He thanked everyone for the honor of working with them.

The Secretary then returned to introductions from those individuals who were participating in the meeting by telephone.

Budget Overview

The Secretary described the continuous nature of the budget cycle, and that work is already being done to prepare next year’s budget. She reflected on recent budget activities and shared her previous expression of disappointment regarding the non-passage of the Managed Care Organization Tax. The federal government had indicated to California that the structure of the tax was unacceptable, which ends in July 2016. The Administration tried to restore the tax through a new proposal last January; however, the tax is very complicated and different from other health care financing taxes, and the proposal was not successful. Conversations continue with regard to how to replace the loss of revenue, and the Special Session is still open. However, without action, the Governor’s Budget in January 2016 cannot presume the tax will continue, and it will suggest how we live without \$1.1 billion in Medi-Cal. She noted that the DDS program is largely funded by Medi-Cal, and emphasized the seriousness of this issue.

In terms of the process, the Governor’s Budget will address the loss of revenue in January 2016, and the budget will be acted upon in June by the Legislature and enacted July 1. It is a two-thirds vote issue. If we are unable to get bipartisan support to increase revenue, there will be very unpleasant consequences.

Status of the Overtime Regulations

Turning to the overtime regulations, California has budgeted for two years for implementation of the regulations, pending their effective date. After various court challenges, the regulations will now take effect in mid-November, subject to a challenge before the Supreme Court. We do not expect to know the outcome until November 13, 2015; specifically whether the Supreme Court will grant certiorari (a review of the case by the Supreme Court) and issue a stay, or whether the regulations will go into effect. The State is in a position of not implementing the regulations until we are required to.

The Secretary opened the meeting to questions and discussion. A question was raised about whether the overtime regulations for regional center services would be implemented retroactively, as is anticipated for In Home Supportive Services (IHSS). Additionally, it was suggested that: stakeholders be brought together to look closely at

situational/implementation issues and solutions; there is a need for communication from the State to resolve current confusion; and that providers need time to ramp up.

The Secretary clarified that retroactivity would only be to the effective date of the regulations (e.g., November 12th), and that in the absence of change, people should continue to do what they have always done, which is operate under the personal care exemption. When there is a change, we will need the procedural ability to capture the necessary records. We are working very hard to be prepared, but for IHSS it means changes to an information technology record-keeping system, which can't be ready until February 1, 2016. She understands there is ambiguity around the effective date of the regulations, given that enforcement was suspended, but there are other issues driving implementation and the goal is to allow time for an orderly transition.

Further discussion around the regulations indicated that some providers have received legal advice that October 13, 2015, was the implementation date. Some providers are moving ahead with implementation, and they cannot wait for payment from DDS.

Regarding the process for communicating information about implementation of the overtime regulations, it was suggested that something like an "All County Letter" be posted on the DDS website and that others in the system will further transmit the information. Everyone wants to do the right thing, but they need to hear what that is.

Developmental Center Closures

The Secretary reported on the status of developmental center closures. Consistent with the May Revision, the Department filed its Plan for the Closure of Sonoma Developmental Center on October 1, 2015. There will be public hearings on the Plan, and we will be working further with the Sonoma Coalition, local officials and other stakeholders on Plan issues. We are performing physical plant assessments, determining where services are needed in the community, and coordinating service development throughout the area.

The priority for closure is how we meet the needs of the individuals at Sonoma Developmental Center (SDC). Also important are the people that serve them and the future use of the land. The 900-plus acres of land present very different issues than land involved with other closures. We recognize the Plan is very ambitious given the identified time frame of closing SCD by December 2018. We will be working with the Centers for Medicare and Medicaid Services (CMS) for extended funding if the time frame necessitates it.

There are decertification actions now pending at Fairview Developmental Center (Fairview) and Porterville Developmental Center (Porterville). We will be negotiating a resolution with CMS using the SDC settlement agreement as a template. There are

many challenges ahead to complete this transition away from the historic congregate care that we provided in developmental centers.

Santi added that we will be utilizing many years of experience for providing the best services possible as we close facilities, emphasizing especially the Individual Program Plan as the driving force for each individual. Each day is a new lesson, but staff and parents are respectful of the spirit, and regional centers exemplify the spirit and have experience from prior closures.

John Doyle, Chief Deputy Director of the Department, added that we now have an oversight contractor for SDC closure, as required by the CMS agreement. We have a combined contract for H&W and Mission Analytics to provide oversight services effective October 26, 2015.

Additionally, John provided a brief update on the new residential models. The first Delayed Egress/Secured Perimeter home is now licensed in Visalia. Others are in development. Also, the emergency regulations for the Enhanced Behavioral Supports Homes will be out soon, with this month as the target.

A question was raised about the dates for developing the formal closure plans for Fairview and Porterville. John responded that we have begun discussions with CMS. We are on track for a 2016 May Revision timeline, although it could be impacted by CMS. We are likely to experience concurrent closures, especially considering how rapidly the Fairview population is transitioning.

The Secretary added that CMS made it very clear during negotiations that it was the State's decision to close developmental centers. For SDC, the circumstances were far more complicated and there was no consideration of time, hence the December 2018 date versus December 2021 for Fairview and Porterville. Our primary focus will be on SDC, and we are still negotiating the others. We are trying to be ready to have closure plans for Fairview and Porterville by April 1, 2016, consistent with statutory requirements. Like SDC, we expect we will be working with an interval of federal financial participation. At this time, these are directional thoughts that could change.

Additional discussion about the developmental center closures indicated families are very concerned and anxious about the need for a safety net, or facilities that "can't say no." For those considering the community, and in the absence of a safety net, what is the recourse if the community placement is unsuccessful? This issue could affect how families feel about early placements.

Rates

The Secretary began the discussion about rates by sharing the many challenges the Rates Workgroup has been facing. At some point we expect to propose (shared as information, not a commitment) the need to engage a large, sophisticated rate study, based on the experiences shared by other states. Looking at the whole rate structure is an expensive undertaking and one that takes a long time. The Secretary recognized the pressures the system is under, which may not withstand a two to three year process. Therefore, we will be pursuing two tracks: applying funds in the upcoming budget to the areas of greatest, immediate need; and pursuing a comprehensive rate study.

John shared that, based on the Rates Workgroup's recommendations, DDS reached out to the National Association of State Directors of Developmental Disabilities Services (NASDDDS) to obtain their thoughts on what types of qualities and skill sets we should be looking for in a contractor. We talked with them about what the workgroup in general was looking for. The contractor would need to explore ways to achieve equity, fairness and resolve complexity in our current system. Also, we have the issue of geographic differences and affordability. We are also interested in how we incentivize providers and encourage independence, and how to make rates understandable and transparent.

NASDDDS advised us that we should be looking for an entity:

- With strong analytical and actuarial skills;
- That is very familiar with the regional center system and California's unique nature; and
- That understands the Home and Community-Based Services (HCBS) regulations, as well as the Fair Labor Standards Act/overtime regulations, and how rates may be affected.

John explained that this will not be a quick process given the complexities of our system. A rate study could take two to three years. While we are cognizant of the immediate needs, the rate study is still an important endeavor.

Kristopher Kent, Assistant Secretary, CHHS, added that the procurement process for a contractor could take several months, and advised that the Task Force will be kept informed and engaged in the process.

Comments and discussion from the Task Force members included:

- It is important to underscore the new tracks—target emergency circumstances and pursue a study that includes a sense of realism (who is being served and

trends, tying policy direction/philosophy for HCBS, and budgetary considerations).

- It was suggested that there could be incremental steps toward dealing with rate issues rather than waiting until the end of the three years. Consideration needs to be given to tactical changes along the way.
- Historically, rates have been used to limit the level of expenditures, which leads to unintended consequences. The study needs to look at other alternatives as well as incorporate data on population trends (aging, autism, etc.) to know the cost impact of different scenarios.
- The basis of how services are provided in the community is important, specifically, how we measure outcomes and how we pay for performance. The report needs to be in the context of value-based accountability/service delivery. However, it is hard to value-base services, for example, for the population that is aging.
- The two tracks will be an important distinction for the Legislature: 1) service provider relief; and 2) rate reform.

The Secretary responded that we face a difficult budget in January due to the revenue side. Lots of thought has been given to targeted relief, but don't expect a significant increase without the revenue issue being resolved.

The Secretary then opened the microphone for public comment:

- Concern was expressed regarding the potential liability of providers for not paying overtime. It would be good if funding became effective at the beginning of November 2015. Also, clarification is needed on whether overtime is paid based on a 40-hour workweek, or an eight-hour day.
- Targeted increases should be considered at the point the revenue issue is resolved. For example, consider the exempt overtime payments tied to the minimum wage increase, and consider compensation for staff going forward.
- Payment of overtime has been mandated by the government. Documentation supporting the October 13 effective date exists and will be provided. This is a wage and benefit mandate, not a rate increase, and funding is needed as a pass-through to pay employees.
- The current rate system has significant inequalities. Rate processes over the last 20 years have produced no solutions. There are simple approaches that can be done faster than a rate study, such as paying the same rate for the same service. The 10% rate relief is still needed, and providers can't wait for relief—programs are closing every day.
- Union contracts also require pay increases, which is not taken into account in the minimum wage rate analysis. Union contracts are another source of mandated payments for which funding is needed.

- Alarm was expressed regarding the time required for a rate study, since there have been no rate increases over the past eight to ten years. Periodic increases are needed rather than a study. Providers are just trying to keep the doors open and hire better staff. If rates are not cost-based, then it may be better to just patch the current system.
- Providers are doing everything they can just to keep their doors open. There will be no community infrastructure in place if providers have to wait three years.

The Secretary ended the morning by responding that the structure of the rate system is the subject of the review; that relief is a separate issue. Immediate relief is not contingent on the rate study and we are doing everything we can to fill the hole. The Secretary expressed her appreciation for the input provided by the public participants.

Workgroups

The Secretary began the afternoon by reminding the members that the efforts of the Task Force started by creating four distinct workgroups. Two are ongoing and have been actively addressing the priority work dealing with rates and regional center operations. Two workgroups were set aside: one on Medical and Mental Health Services and Supports, and the other on Housing and Employment. We will continue to discuss the status of the active workgroups, and then consider when and how we should add the two outstanding areas of work.

John provided an update on the Regional Center Workgroup. The Workgroup is looking at the types of issues that are creating problems for the regional center budgets. Areas of focus are the core staffing formula and the case management ratios. The Association of Regional Center Agencies (ARCA) is currently analyzing these areas and will provide input.

As a related issue, Jim Knight, Assistant Deputy Director, Community Services Division, DDS, provided an update on the HCBS Advisory Group. They met yesterday and continued their work toward implementing the new CMS regulations that were issued in March 2014, which focused on expectations for community integration and choice. When issued, CMS understood that the regulations would drive the need for changes, and therefore required the states to determine where they are at currently, what regulations they are in compliance with, and for those areas where changes are needed, how they will get there. These elements make up the statewide Transition Plan that has been submitted by California and 49 other states to CMS. To date, no state Transition Plan has received CMS approval.

California is working with the HCBS Advisory Group to determine the steps we will take to define where we want to go and achieve compliance by March 2019. As expressed by the Advisory Group on October 27, 2015, their desire is for clear direction from DDS

as soon as possible regarding what services should look like or what qualities DDS intends to buy to achieve program compliance. We need to know where we are today, what the preferred future is, and then allow flexibility for providers to get to those goals.

The discussion that followed included:

- Information must be understandable. The person-centered plan is much more than just the Individual Program Plan. This is an area we can focus on while waiting for direction on the HCBS regulations.
- The direction for HCBS changes should be reflected in the Governor's Budget (such as clarifying the regulations, setting the philosophical/policy direction and preferred future, and identifying services that are outside of this direction for public reaction). There is a lot of confusion about where these regulations are going and what it means to the community.
- The HCBS Advisory Group needs to be connected to this Task Force, as the regulations will impact all of the areas we are working on. Separating issues may not be helpful—they need to merge somewhere. Both the housing and employment areas have ties to the HCBS regulations and they need to be linked before we can move forward.
- Regarding regional center operations, case management vacancies are affecting services for people today, and there are significant issues of replacing staff knowledge as turnover occurs. There are also huge geographic disparities, especially for small communities, and we need to promote opportunities to grow, live independently and move out of poverty through employment.
- It was suggested that we need a workgroup now on behavioral health issues, as significant amounts of time and energy are being spent on this very difficult to serve (even dangerous) population. Behavioral health is a more inclusive term than mental health services and supports, since it includes mental health, forensics, people in the criminal justice system, individuals with serious drug and alcohol issues, etc. Our most challenging cases have a mental health component, and good quality services are difficult to find.
- The most difficult cases are those with a mental health component, or even a medical component, because it is very hard to find good quality services and people that understand the population. Finding good services would provide significant relief from a case management perspective. We also need greater housing options and, instead, vendors are closing. Relief is needed so that meaningful choices can be provided for person-centered planning and we are better prepared to move forward with implementation of the HCBS regulations.
- There was also support for a workgroup on housing, since the issue is becoming bigger as our population ages out of the family home into restrictive settings. It is also a significant percentage of the payments for services (15 to 20%).

- A smaller group should work on bringing information and ideas together for the contractor for the rate study (e.g., what is working and what is not working), and for the ARCA effort on regional center operations.
- Employment is also an area we need to focus on. There are many incremental steps we could take to create opportunities and move toward more integrated settings.
- There needs to be a flexible approach and ways to try out ideas, such as pilots to test ideas on a small scale and in different areas and locations, especially for addressing the HCBS settings, and taking a different approach from the measurable outcomes that licensing focuses on.

The Secretary continued the meeting by indicating that the Task Force, operating as a whole, is powerful given its mix of experience, skill sets and perspectives. The Task Force will be considering services that are essential, and what the next generation of services should be. Also important are how those services should be provided and where the crisis areas are that need to be addressed as soon as an opportunity in the budget process presents itself.

The Secretary summarized the work in three buckets:

1. She is hearing that the HCBS work is very important and should be integrated with and not distinct from the work of the Task Force, as it may govern some of the answers. However, the HCBS Advisory Group has some very technical things to address for implementation, while the Task Force needs policy integration. We will take this information back, consider policy direction and how we should have the right conversation, so that we can plan accordingly. We will find a way to get the right conversations around the right people.
2. The Rates Workgroup will continue to provide information and structure for the rate study.
3. The work that is being done by ARCA around regional center operations will come back to the Regional Center Workgroup. The Secretary is also interested in the evolution of the role of the regional center and their governance.

The Task Force provided additional comments, expressing that there is urgency around the HCBS regulations, but the HCBS Advisory Group is not scheduled to meet again until April 2016. There is also urgency to get information to the Secretary before the January 10 Governor's Budget. The array of services and needs for persons with developmental disabilities go far beyond the regional center system.

The Secretary invited additional public comments:

- There is legal ambiguity regarding the implementation date for the overtime regulations (October 13 versus November 12). Clarification is needed from the California Department of Labor. Some providers have already implemented the overtime requirements and are incurring the costs, and funding is needed now to protect fragile community service providers. The issues are complicated by treating IHSS differently than regional center services, and it is very difficult to explain this to the employees who are impacted.
- The HCBS regulations present an opportunity to do really great things. Although those who attend the Task Force meetings are well informed, the general population has no idea. Communication is needed (such as an All Vendor Letter) to give people a general idea of what is coming.
- A workgroup is needed to focus on affordable housing and developing housing specifically for individuals with developmental disabilities. We need to work with other agencies on policies and ways to maximize tax advantages.
- Developmental centers should be closed and the funding invested in the community. There is a difference in pay between developmental center staff and community staff, and increases in pay are needed in the community.
- There are 20 to 30 cities implementing minimum wages. A simple way is needed to pass through funding for this purpose but, instead, providers must go through a wrenching process. Now with the overtime, we don't even know when it starts. There are many government levels giving mandates. DDS needs to work with these government agencies to implement changes without crushing the vendors and regional centers.

The Secretary closed the meeting by thanking the participants again for their incredibly valuable service. She has very important information to take away from the meeting. She thanked everyone for their leadership and diligence. She expects that the next meeting of the Task Force will be in spring, and information will be shared regarding our next steps.

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

Wednesday, April 13, 2016 – 10:00 a.m. to 3:00 p.m.

**California Dept. of Health Care Services Annex Building
1700 K Street – First Floor Conference Room
Sacramento, CA 95814**

WELCOME AND INTRODUCTIONS

Diana S. Dooley, Secretary of the California Health and Human Services Agency (CHHS), welcomed everyone to the meeting. She introduced Nancy Bargmann, the new Director of the Department of Developmental Services (Department of DDS), as well as Jenny Yang, Vice Chair for the State Council on Developmental Disabilities who will be filling in for Kecia Weller. Task Force members in the room and on the phone then introduced themselves. Secretary Dooley asked Director Bargmann to share a few words before getting started.

Director Bargmann shared that she is honored to be back at DDS and it feels like coming home. She's looking forward to working collaboratively on the variety of parallel initiatives and priorities necessary to move our system forward, to not only support people today, but also to create a foundation for the future.

Managed Care Tax Reform Update

The first update given was on the Managed Care Organization (MCO) Tax. Secretary Dooley acknowledged the team effort, especially over the last few months, in response to the federal government's announcement almost two years ago that the existing structure we had for maximizing our federal participation was not going to be acceptable beyond this year. The Administration and the federal government came to an agreement by changing the tax structure in a way that wouldn't cause increased premiums or costs to the plans. Approval from the federal government is still pending, but is on the fast track. The Administration has indicated the need for federal approval by the middle of May because the state's budget is built on the adoption of the MCO tax reforms.

Further detail on the Special Session legislative package that includes the MCO tax reform was provided by John Doyle, Chief Deputy Director of DDS. He explained that while Assembly Bill (AB) X21 contains an appropriation of \$287 million, the combined resources provided through the federal match and other resources coming through the Department of Health Care Services' (DHCS) budget as well as additional proposals coming through as part of the May Revisions, should result in almost half a billion dollars going into the system. AB X21 includes the following provisions:

- \$11 million for reducing disparities; \$1 million to provide pay differential for bilingual interpreters at the 21 regional centers and the remaining \$10 million for use at the discretion of the different regional centers to fund what will work best in their communities to reduce disparities (e.g., parent education groups, cultural competency training, etc.).
- \$169.5 million for direct care staff who provide at least 75% of their time in the provision of direct care services. This requires DDS to send a random survey to providers to get an estimate of direct care costs compared to administrative costs. The survey, developed with assistance from stakeholders and sent out to between 1,800 and 1,900 randomly selected providers on March 18th, was designed to be very simple and not burdensome to complete. The goal is to capture data that would provide a good picture of what service categories have the most significant amount of direct care costs. This data will help inform the rate increase that will be effective July 1st. Anyone participating in the rate increases – who did not participate in the initial survey – will be required to submit the survey to DDS by October 2017.
- \$31.1 million increase for Regional Center staff and administrative costs for salary increases, benefit increases or both.
- 5% increases for supported living services (SLS), independent living, respite and transportation services. There's another 5% increase (\$12 million) for intermediate care facility homes that is proposed as part of the DHCS budget.
- 11.1% increase that restores the rate for supported employment back to 2006 levels. There is also the intent to ensure the Department of Rehabilitation's support and employment budget is adjusted accordingly, because while those funds are not part of the \$287 million appropriation, they are part of the total benefit to the system.
- \$20 million proposed for an increase in competitive integrated employment. A portion will be used to provide paid internships, up to \$10,400 per year, and the rest is intended for placement fees to be paid, upon placement and on a graduated schedule, to providers who helped place an individual in competitive integrated employment. If an individual remains in that position for a year, the provider will see an increase of \$3,750 for the total period.
- The bill also requires DDS to provide a rate study to the legislature by March of 2019. More detail will be provided on this rate study later in the agenda.

Questions, comments and discussion from the Task Force members included:

- Ensure DDS works with a variety of stakeholders (i.e., family and consumer groups, DRC and the DD Council) not just the Regional Centers, to address the disparity issue.
- The Department should consider the socioeconomic factors that are causing these differences in services and expenditures across the state.

- Why will the rate study take three years to complete given the overdue nature of the rate structure?
- Who will be working on the rate study proposal and when will it be ready?

DDS will be working with a variety of stakeholders to address the underserved populations in the Regional Center areas. Also, the rate study is a priority for the Department, but will take three years to complete based on the complexity of our system and information from the National Association of State Directors of Developmental Services and other states' experiences. Two retired annuitants are working to develop a Request for Proposal (RFP).

Questions about SLS rate increases were addressed. Doyle said the Department provides supportive living services and counties provide IHSS services. So the 5% increase for supportive living does not include the IHSS piece because that's provided through the counties. Providers can use this 5% increase anywhere they need it. The Department heard that increase to salaries is where it was needed, so calculations were based on that, but if there are different priorities for providers, they can spend it to provide services needed in the community.

Rate Study Update

An update on the Rate Study was moved up on the agenda in response to Task Force members' interest and questions on this topic.

DDS is required to provide a rate study to the legislature by March 1, 2019 that must address several specific items including: examination of any proposed rate structures for their effect on the number of service providers; look at the fiscal impacts of alternate rate methodologies and how different rate methodologies can incentivize outcomes for consumers; and consider consolidating the significant number of service codes we have in our system today.

As mentioned earlier, two retired annuitants are developing an RFP that will be completed by early June. Doyle explained that this will not be a quick process given the complexities of our system and after consulting with the national agency, three years seems to be about the right timeframe. DDS plans to review where the rates are now and then reach out to other states that have completed rate studies and see what worked for them and what didn't. DDS understands the urgency, but wants to be thoughtful and deliberate to ensure there is a system that works well by enlisting a consultant that has experience in Home and Community-Based Services (HCBS) regulations.

March 2019 is the deadline to report the study, but if ready sooner, DDS will move as quickly as possible to complete the work. DDS is making an effort to not be so

prescriptive in the RFP that we direct what the consultants can do. It's important to find someone who understands this process and who has possibly worked in another state, so we can learn and use this as a tool as we're collecting information, not just waiting for an end product in March of 2019.

Comments and discussion from the Task Force members included:

- Participants expressed their willingness to help with any need for expertise on what rates look like in the community, or be on a committee to help with the process. California has a rate system that is based on what we've done in the past and what we're doing today, but it needs to address what services will look like in March of 2019 in light of the Home and Community Based Services regulations, which makes it more complex as to what we're action going to come out with overall.
- Members urged that in looking at the rates, we also include all of the other issues, like cultural and socioeconomic disparities, so that they're not separated out.
- The rates workgroup of this Task Force set a good foundation and provided a lot of information, maybe a few months can be taken off of the 3 year timeline for the rate study because this work is already done?
- It was emphasized that in looking at the rate structure, it is important to remember that our system is about people – it's about the people who work for the providers and it's about people who need the services.
- Task Force members recognized that resources are limited and that the people we represent have extreme needs, which could drive additional costs.
- Some participants asked that the state encourage and allow pilot programs where different rate ideas can be tried and evaluated in advance of the 2019 due date. The Secretary shared her experiences working with modular procurement for the child welfare IT system and is hopeful that similar to her experience with that project, parts of the DDS rate system can be designed and built as we go along so that benefits can be realized without waiting for the whole project to be completed.
- It was also suggested that the rate study require some Human Resources expertise to ensure that any future rate structures can address minimum wage and supervision/exempt employee requirements.

Minimum Wage Increase Update

The Governor signed Senate Bill 3 that increases minimum wage to \$15 per hour by 2022. For employers with 26 or more employees, on January 1, 2017 the rate will go up \$0.50 per hour, as indicated in the handout provided to participants. DDS is looking into the budget impacts both short and long term and is evaluating potential costs. DDS does not expect the first year increase will be significant since the adjustments made through the MCO funding increase will likely put direct care staff over the \$10.50 per

hour mark, but realizes that there may be providers with staff that are being paid minimum wage, but won't be covered since they don't spend over 75% of their time providing direct services to consumers. As time goes on and as the rate increases grow, DDS does expect to see cost increases as the state moves closer to the \$15 per hour minimum wage. DDS clarified that the Health and Safety exemption process can be used to address local minimum wage increases, and a suggestion was made to develop a workgroup to look at how to make the Health and Safety Exemption process less cumbersome and resource intensive.

The Department understands the wage compaction issue and the twice the minimum wage requirement, but the bill doesn't address this and DDS is not proposing anything at this time to address these concerns. The Department expects implementation to be similar to other minimum wage increases, requiring the DDS to survey providers to get their estimate on the number of staff they have earning minimum wage who will be affected as the rate goes up in each successive year.

Discussion from Task Force members included examples of and concerns regarding the effect of compaction, overtime rules, the health and safety exemption process, local minimum wage versus the state minimum wage and the impacts of the MCO tax reform. Also raised during this discussion was a separate issue requesting SLS and IHSS not be considered co-employers and that there are unintended consequences to IHSS being a generic resource for SLS.

The Secretary acknowledged that the Task Force's discussion of minimum wage issues was an important and robust conversation and that it has been useful for her to hear the concerns, which are not unlike the concerns of a wide range of industries that have a large number of lower paid workers. When the bottom is raised, it has an impact above the bottom and these conversations will inform surveys and information gathering to be as fair as possible. Task Force members were urged to focus the conversation to the issues specific to the operation of the Developmental Disabilities program rather than broad-based minimum wage arguments.

Public Comments (Morning)

Secretary Dooley then opened the microphone for public comment:

- Concerns were raised regarding the use of the MCO tax money to offset the minimum wage increases, essentially negating the benefit of the MCO tax by translating it to another purpose.
- DDS and the administration were urged to look at legislation that identifies funding solutions for the six year minimum wage increase plan so that stakeholders don't have to come back in each of those six years asking for more money.

- Several individuals thanked the legislature and administration for the work on the MCO reform and the much needed funding infusion into our system, and cautioned that there is more work to be done in light of the passage of minimum wage increases.
- The compaction issue was highlighted as a very valid issue, as well as the two times minimum wage issue. It was also noted that the federal government has sent a Department of Labor final rule over to the Office of Management and Budget who has 90 days to respond. Implementation could happen as soon as June 12th this year. A comprehensive plan to address these issues sooner, rather than later would be ideal.
- The efforts to retain experienced staff and address their value to the community were discussed. Consideration of an allocation in the budget to address lower wage workers that might not be covered by minimum wage increases was requested.
- High staff turnover rates are being experienced, especially among employees that have been with a provider for two years or more. Individuals with training, experience and relationships with the people they are supporting are walking out the door at an unprecedented rate. The labor market shortage is becoming a rapidly emerging issue.
- Consideration was requested to help level-four homes (with four or less consumers in the home who do not receive specialized service rates) keep up with some of the staff wage increases discussed. Providers are sharing that many of the four bed homes are going to close because current reimbursement rates are not sustainable and asked for relief measure, possibly allowing providers to increase to 6 bed homes and/or relief in the form of reducing required staffing hours or behavior consulting hours.
- Regarding the compaction issue, there's tremendous risk in taking a person who's exempt and changing their classification to nonexempt, exposing providers to significant back-wage issues; employee classification is based on duties. Compaction is having a major impact on providers being able to retain talented, experienced staff. Also noted was the cost statements done many years ago included the costs of exempt positions and that info could be used as a foundation for closer examination of potential cost impacts.
- DDS was urged to participate in the California Person Centered Advocacy Partnership's eight regional forums that are being developed.
- The state was urged to move forward quickly to provide immediate information on the impact of HCBS regulations to the people receiving the support and services, their families, the workers, the providers, the board of directors, the unions, and regional centers on what initial steps should be taking.
- The state was asked to consider the Partnership's proposal to repeal the ban on the start-up of new programs tied to the compliance of the HCBS regulations under the governor's transition funding and consider suspending, on the case-by-

case basis, certain licensing requirements on site-based programs who are seeking to transition.

- As the state moves forward with reforming the rate structure it's important to pay attention to incentives.

The Secretary expressed her appreciation for what is being done in the communities and the willingness of participants to come to these meetings and provide input before breaking for lunch. While reconvening from lunch, information about the advantages of the new California Earned Income Tax Credit was shared with the group.

Home and Community-Based Services (HCBS) Update

Secretary Dooley introduced Jim Knight, Assistant Deputy Director, Office of Federal Programs and Fiscal Support for DDS to provide an update regarding the HCBS regulations.

Effective March of 2014, the federal government – the Centers for Medicare and Medicaid Services (CMS) – finalized regulations and expectations for settings or places where people receive services that are funded through Medicaid. HCBS were initially started by the federal government as alternatives to institutional services for people. For many years, the federal government has been looking at a way to help define what “community” is and these regulations are a result. These new regulations focus more on people's outcomes and their opportunities for community integration, than the physical aspects of a setting. There is a five-year transition period and states have until March of 2019 to make sure these places where people receive services are meeting these new federal requirements.

The expectation is to spell out to CMS where we are in relation to the new requirements and what we're going to do if we're not in compliance or don't meet those requirements. This will involve the development of a statewide transition plan. DDS has been working with departments in California who receive HCBS funding, including DHCS and the Department of Aging to develop a statewide transition plan. California submitted a transition plan last year and much like every other state that submitted a plan, received questions back from CMS regarding the assessment of settings and response to addressing issues found. The state is currently having regular calls with CMS to address those questions and will modify the transition plan accordingly. Once the transition plan has been modified, it will be sent out for public comment then resubmitted to CMS. CMS has just approved the first state transition plan (Tennessee's) which is helpful because it creates a model for other states to follow.

An advisory work group was established to address the changes to services funded through the Regional Centers. The next work group meeting is scheduled for April 29th in Sacramento. The focus of the meeting will be to develop a timeline and a strategy to

ensure everyone who will be involved or impacted by these changes is able to participate and provide input on what needs to be done moving forward.

Additionally, the proposed budget includes some items related to the new HCBS regulations. \$15 million is proposed for providers to make changes or modifications to the way they provide services, if needed, to meet the new federal requirements, as well as placeholder language that would express the legislature's intent for the Department to make changes and become compliant in advance of the formal state regulations.

These are the initial steps but there is more work to be done. Efforts with the advisory work group and others will continue and DDS will be looking for additional assistance and a variety of input – those that receive services, families, providers, etc. – because this is a big change that needs to be done correctly.

Comments from Task Force members suggested that the DC Closure Plans could be a good template for the community to use in terms of transition planning to prepare for the new HCBS rules and moving people from one type of service to another. People are clamoring for good information; there is a lot of fear and misinformation. It was also suggested that the ban on startups may want to be repealed to create more opportunities for innovation and new ideas to move the system forward.

Self-Determination Update

As background, the Self-Determination program was signed into law in 2013 and provides – at a high level – a different option for the way people can take more responsibility and control over what services they receive and the way they are delivered. Law requires approval of federal funding before Self-Determination can be implemented. Initially, in the first three years, a limit of 2,500 people can participate in the program, though there is now the ability to request an increase. After three years, the program will be open to everyone who receives Regional Center services.

As with the HCBS regulations, an Advisory Work Group was developed to inform implementation strategies and efforts. This work group has identified and helped define the type of services to be available under Self-Determination, drafted a process to choose the first 2,500 participants and created a video and informational materials about Self-Determination. Coming soon will be training and materials which are required by law for Regional Centers about the mechanics of the Self-Determination program.

The Department is working with CMS to answer questions received from the application for federal funding, also known as a waiver application, and the main obstacle is the new HCBS regulations just discussed. The new regulations won't allow a transition period – technically states have five years to make sure everyone is compliant with their

services offered – for any new programs, so DDS will have to demonstrate that initially, the places that provide services under Self-Determination, meet the HCBS requirements. The plan approved in Tennessee offers a roadmap to what the federal government likes, but other states have had problems demonstrating that services provided meet the new settings requirements. To get the Self-Determination operational, the Self-Determination Advisory Group has proposed to initially limit some of the places where services are provided to those that meet the requirements now, and then go back and add different settings later.

The “assessment process” outlined by the Advisory Group will allow consumers to choose where they want to receive services and determine on a case-by-case basis if that place or setting meets the federal requirements. If not, then unfortunately, that place or setting would not be an option for Self-Determination at this time. It doesn’t mean consumers wouldn’t be able to receive services, just not at that particular setting during this initial three-year period. Once the process concepts are agreed upon (hopefully within a matter of days), a timeline will be developed to resubmit the waiver application to CMS for approval.

Comments from Task Force members included their willingness to participate in processes to help determine services and settings; a request for consistent messaging and information on the program statewide; clarification that individuals moving from the DCs can participate in Self-Determination; a recommendation to not wait until the waiver has been approved to start identifying settings that would meet the federal requirements; an offer of SCDD’s services as an independent entity that could assess settings; a reminder that the Self-Determination Advisory Work Group agreed that funding and resources for Self-Determination cannot endanger or take resources away from the conventional system; the need for good person-centered plan, on top of the IPP process, is needed; and a request was made for guidelines and simple assessments or checklists for services that are very obviously integrated and community-based, as opposed to a “heightened scrutiny” or more in-depth assessment process for services that look more like our traditional system.

Developmental Centers Closure Update

The Secretary then invited Dwayne LaFon, Interim Deputy Director of the Developmental Centers Division at DDS to provide an update regarding the DC Closures.

A joint closure plan for Fairview and Portville Developmental Center General Treatment Area was submitted to the legislature on April 1st. Now all plans, including the Sonoma closure plan submitted in October, are available on the DDS website. The plans are pending approval as part of the 2016-17 budget process and can be modified or changed by the legislature. Budget sub-committee hearings are expected in April or

May, where public comment will be taken, and final action on the plans is expected by with the passage of the budget.

Informational meetings are being held regarding the closure process for each DC, with the Sonoma Coalition on April 12th and 14th, families in Porterville on April 24th and with the Fairview Family and Friends group on May 15th.

Comments from Task Force members were positive surrounding the development and submittal of the closure plans. The plan was detailed and everyone appreciated the time the Department took with the families and those impacted by the DC closures to inform the plan. Recognition was also given to the Regional Centers for their willingness to hold special meetings with families to further solidify those relationships.

Brian Winfield, Acting Deputy Director of the Community Services Division with the Department was tasked with providing a specific update regarding Sonoma development. Winfield said the Department received \$43 million this year to develop resources associated with the closure of SDC and there is an additional \$68 million for Community Placement Plan (CPP) funding for the six Regional Centers near Sonoma – Alta California Regional Center, Far Northern Regional Center, Golden Gate Regional Center, North Bay Regional Center, East Bay Regional Center and San Andreas Regional Center.

At the end of February, for those six Regional Centers, their population at Sonoma was 350 individuals. For those 350 individuals, there are 443 resources – or total bed capacity – that's being developed by the Regional Centers which are a combination of Specialized Residential Facilities (SRFs), Adult Residential Facilities for Persons with Special Healthcare Needs (ARFPSHN) and Enhanced Behavioral Support Homes (EBSH). As a result of this Task Force, two new models of care were developed – the EBSH and the Community Crisis Homes (CCH). Regulations were issued back in February for the EBSH and the Department is working on regulations for the CCH.

Capacity for each setting includes 244 for SRFs, 143 for ARFPSHNs and 56 for EBSHs. Having capacity (443) over the number of individuals who need to transition out of SDC (350) allows options for consumer choice, transfers between regional centers, or for finding placements to keep peer groups together. The six regional centers are also developing CCHs, SLS options, clinical and health related support services, crisis services and support, transportation and day employment services.

The governor's budget contains an additional \$24.5 million for the Sonoma closure on top of the existing CPP funding.

Questions and comments from Task Force members included: verification that Regional Center RFP processes take into consideration compliance with the new settings rules, clarification that half of the homes being developed are owned by non-profit organizations (NPO) and the other half are not NPO-owned, confirmation that 26 new homes are projected to be operational by the end of summer 2016, acknowledgement that the development of CCHs should relieve pressure on the acute crisis homes at Sonoma and Fairview and that mobile crisis teams are operational already in most Regional Centers, a recommendation to review the inter regional center transfer policies was made and RCs were urged to respond to transfer requests in writing, and overall concerns about ensuring there are enough beds, specialized medical care and resources and services available for individuals transferring out of the DCs were shared.

Public Comments (Afternoon)

Members of the public provided comments that included: concerns that misinterpretations of the HCBS rules will further limit affordable housing options for the people we serve; the importance of middle manager level exempt employees and a caution to not negate the quality and consistency built in our system by these employees by not fully funding minimum wage adjustments; additional thanks to the Department and the Administration for all the successful efforts to date and additional clarification on the perceived “ban” on start-ups for community reintegration from the DCs and relating to Self-Determination.

Next Steps

Kris Kent, Assistant Secretary, CHHS indicated that the next workgroup meetings would start in May or June and will address the remaining two priority issues identified: “Community Supports and Safety Net Services” and “Housing and Employment.” As was done before, the workgroups will meet every other month alternating between the two subjects so there will be a meeting each month.

Task Force members want to start as soon as possible and asked if there are any preparatory documents to review from other states or counties. As with previous work groups, part of the process will be to gather those types of documents and lay a foundation. Ideas of what information may help further the discussion are welcome. Work groups are open all members of the Task Force and the discussions in both work groups will be led by Kris Kent.

Director Bargmann closed the meeting by noting how the Task Force has evolved from the first meeting to today. The large number of meetings and time invested in all of the different task forces, workgroups and advisory groups is critical and has brought us to where we are today. As a result, and in response to the feedback and the dialog that started with the DC Task Force, a number of new models of service were designed and are being developed and have started to provide services for individuals. While there is

more work to be done, it is important to recognize everyone's efforts have already resulted in positive changes within our system that we can all be proud of.

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

Wednesday, February 15, 2017 – 10:00 a.m. to 2:00 p.m.

**California Dept. of Health Care Services Annex Building
1700 K Street – First Floor Conference Room
Sacramento, CA 95814**

WELCOME AND INTRODUCTIONS

Diana S. Dooley, Secretary of the California Health and Human Services Agency (CHHS), welcomed everyone to the meeting and gave a special acknowledgment to Kecia Weller with the State Council on Developmental Disabilities on her return to the Task Force. Task Force members in the room and on the phone then introduced themselves.

Secretary Dooley turned the meeting over to Kris Kent, Assistant Secretary of CHHS who reviewed the agenda for the day and then asked the Department of Developmental Services (DDS or the Department) to provide budget and program updates.

2017-2018 Budget Update

The first update given was regarding the Governor's proposed budget for 2017-2018 by John Doyle, Chief Deputy Director of DDS. Doyle stated that when the Governor released the budget on January 10, 2017, he discussed concerns over the uncertainty of funding at the federal level, the economic expansion and a potential post-recession slowdown.

Despite federal uncertainties, DDS is projecting an increase in just the Community Services budget of \$359 million, which equates to a 5.9% increase over current year funding. The Community Services budget will see half a billion dollars increase between the 2016-2017 budget act, special session funding through ABX21 and the proposed funding for 2017-2018. The Community Services budget overall is up from 2015-2016 which shows a commitment to ensuring individuals in the community are getting services in a timely manner, as well as providing services to the individuals transitioning from the Developmental Centers (DC).

With the scheduled closures of the DCs, the proposed Developmental Centers budget is \$450 million, which is a decrease of \$80 million – equal to about a 15% decline – from the current year. The expectation is that by June 30, 2017, the population at the DCs will be around 490 individuals and by June 30, 2018, the population will be about 257 individuals.

Nancy Bargmann, Director of DDS then walked everyone through the proposed trailer bill language.

- **Clean-up Language to Assembly Bill 1606** – proposed language clarifies that DC staff who want to become a community service provider can continue to work for the state during the provider start-up period, but have to leave state service before the actual provision of services as a RC vendor begins.
- **Community Placement Plan (CPP) funding** – allows for CPP funds, which typically are earmarked for funding for individuals transitioning from a DC, to be used to develop additional community capacity.
- **Enhanced Behavioral Support Homes (EBSH) and Community Crisis Homes (CCH)** – gives the Department authority to develop these resources without federal participation.
- **Paid Internships** – allows individuals to still access public education services while participating in a paid internship.
- **ABX21 Rate Changes** – consistent with ABX21 funding, updates service rates set in statute.
- **Home and Community Based Services Compliance** – gives authority to the Department to issue policy directives in advance of emergency regulations.
- **Employment Outcomes** – allows regional centers to incorporate an additional evaluation within RC performance contracts to measure employment outcomes.

The questions and comments regarding the budget and trailer bill language were as follows:

- What will the new process for requesting CPP funding for the community look like? It should be kept at a local level and the ban on startup programs should be lifted.
- This CPP funding proposal is a great way to help rescue people who are in crisis in the community – try to simplify the process and make sure it's person-centered to address this issue in a targeted way
- For the paid internships, if someone goes into an internship and then goes into a job at 18 and they would then start transitioning into the adult world, would they have to go through the exceptions process to get services to maintain their employment?
- Regarding HCBS compliance, Title 22 also presents significant challenges in getting to compliance, both in residential and as day services transition out of their settings.
- With regards to the employment outcomes, it would be nice to see each regional center reporting how many more people are in competitive and integrated employment.

Self Determination Update

Director Bargmann then introduced Jim Knight, Assistant Deputy Director, Office of Federal Programs and Fiscal Support for DDS to give an update on the implementation of the Self-Determination program.

Knight referenced Secretary Dooley's acknowledgement that this Task Force has been on a long road, and likened that to the Self-Determination program timeline. California is actively working to obtain federal approval for Self-Determination. The application for federal funding has been submitted and there are just a handful of questions left from the Centers for Medicare and Medicaid Services (CMS) that the Department is working to address. Some of the questions from CMS are in relation to: how the individual budget is set for people who are going into the program and how the cost of the financial management service provider factors in. The Self-Determination Advisory Group will have a call to go over the discussion with CMS, as well as the training plan, further input from the group and the timing of the rollout. The goal is to launch the program and get individuals enrolled on the "interested list" three to four months before the actual approvals from CMS, so there is no lag time once the Department has approval. The program is limited to 2,500 individuals the first three years then can expand to everyone after that time.

Task Force members discussed a plain language presentation Westside Regional Center's local advisory committee is using that has been received well by families.

Home and Community Based (HCBS) Waiver Update

Knight continued the discussion with an update regarding the HCBS regulations. These rules were implemented back in March of 2014, which put new requirements on settings or services that are provided through Medicaid and what the expectations are for the qualities of those settings. All states have to be in compliance by March of 2019.

One of the requirements of those new rules was that all states were to submit what is called a transition plan, which outlined to CMS what steps states were going to take to move to compliance by March of 2019, and an assessment of where they were at that point in time. This also includes changes to make, if any, and what steps to take to get into compliance. As of right now, only 22 states have had their transition plans approved by CMS and California is not one of those states. California submitted our transition plan on November 23, 2016 through the Department of Health Care Services. The transition plan not only involves the Department and regional center services but all the programs in California that use funding through Medicaid for home and community-based services.

Within the current year's budget, there is \$15 million in funding available for providers to request in order to move towards meeting the new federal regulations. Providers submitted proposals through the regional centers with their concepts, steps and a rough estimate of how much money it would cost. The Department received almost 900

proposal totaling about \$130 million, and after a few months of review, has narrowed down the list of which proposals to fund. The Department will notify the regional centers and providers which requests will be moving forward in the process. The next steps will be to enter into contract with the regional centers and the providers and receive more detail about what the money is going to be used for and expected outcomes.

Also in the budget this year was funding for regional centers to hire staff to help implement these new rules. The Department learned through the proposal process that there is still more information that people need, not only at the provider level but also people who receive services and their families. To help with this, the Department would like to meet with these new regional center staff members to create outreach plans in the local regional center areas to talk with families, providers, and people who receive services. Then the next steps will be to pilot the provider assessments to help identify where they are at in meeting the requirements and what needs to be done to meet them.

The HCBS Advisory Group has created a draft tool, a process and a form, for the provider assessment, so the advisory group will meet to discuss the rollout program and receive any feedback. The Person-Centered Planning Workgroup will also be reconvening after initially identifying some recommendations and clarifications to be made.

Comments and questions from Task Force members suggested that explaining person-centered planning, which is different from the Individual Program Plan, is critical so we can receive more buy-in for the concept with the new rules. There are concerns that since \$130 million was submitted for proposal that there will be many non-profits that will not be able to come into compliance since they do not have the funds to take the necessary steps and they need help. An additional \$15 million was added to the 2017-2018 budget to help meet community needs.

Questions were asked about reviewing the 900 proposals that were submitted, being able to review the approved requests once contracts are signed and questions regarding CMS's intent for "private home" and "intentional" community settings.

Rate Study Update

Director Bargmann welcomed Doyle back to the microphone to update on the progress of the rate study this Task Force recommended pursuing.

Doyle was pleased to announce that the request for proposal (RFP) for the rate study was posted on the Department of General Services (DGS) website on February 9, 2017. Proposals are due April 3, 2017 and the other important dates are as follows:

- Written questions from any provider or vendor that has questions about the proposal, need to be submitted by March 1, 2017
- Responses back to those questions will be available by March 10, 2017

- The final date for submitting proposals is April 3, 2017
- The Department will review and score proposals on April 3, 2017
- Presentations by potential bidders will be held May 1 through May 5, 2017
- The contract will be awarded by June 2, 2017

One of the requirements of the winning bidder is to meet with the Task Force and Rate Study Workgroup to provide detail on their direction, to interact with everyone and get member's thoughts that will help inform some of the tasks they will be implementing.

The Department was not too prescriptive in guidance within the proposal because we want their input as to how best untangle our rate system. The proposal does include background on the rate history, our expectations of the contractor and some of the outcomes we expect. The RFP includes the specific statute that's required in ABX21, but then it also goes on to talk about some of the issues we know that are facing the system, including the new HCBS rules and the disparities issues that are impacting services.

Task Force members asked for additional time to schedule the meeting with the winning contractor since the issue is very important and everyone will want to attend.

Developmental Center Closures Update

Director Bargmann provided the following information regarding the Developmental Centers and other state run facilities.

Population:

- The current population at all state run facilities, as of January 31, 2017, is 875 individuals
- 190 of those individuals currently reside at Fairview Developmental Center
- 335 of those individuals currently reside at Porterville Developmental Center with 208 individuals in the secure treatment area and 127 individuals in the general treatment area
- 300 of those individuals currently reside at Sonoma Developmental Center
- 46 of those individuals currently reside at Canyon Springs

Transitions:

- Since the announcement of the closure of May of 2015, 218 individuals have transitioned to the community as of January 31, 2017
- For this current year, we had a total of 199 individuals statewide that were projected to transition to the community
 - There are 23 individuals from Fairview that transitioned to the community as of January 31, 2017 with a total of 81 projected to transition; so, between now and June 30, 2017, there are 58 remaining individuals that will need to transition to the community

- There are 17 individuals from Porterville that transitioned to the community as of January 31, 2017 with a total of 34 projected to transition; so, between now and June 30, 2017, there are 17 remaining individuals that will need to transition to the community
- There are 32 individuals from Sonoma that transitioned to the community as of January 31, 2017 with a total of 84 projected to transition; so between now and June 30, 2017, there are 52 remaining individuals that will need to transition to the community.

Residential Development:

- 231 homes and settings are projected to be developed to support those transitioning from the DCs
- 98 are in very early stages of development – RFP process, negotiation with contracts with regional centers, etc.
- 133 have site control or are already licensed or vendored to provide services
- Supported Living Services are available but capacity is hard to track for SLS settings, as they can serve 1 to hundreds of people.

In addition to the transition activities and resource development, the Department has been working with the DC parent groups and hosting meetings at the DCs to provide information, connect families with community providers, describe what to expect from the transition process and give overviews of resources available in the community to serve individuals moving from a DC.

All homes identified for the closure of Sonoma DC are expected to be acquired by the end of March 2017.

The Department has entered into contract with H&W as an independent monitor at the DCs. H&W's role has been expanded from oversight of the units at the DCs under CMS agreements to also monitoring transition activity at all three DCs.

The development of medical and dental services has increased. Alta California Regional Center has a contract for the development of specialized dental services and staff training in partnership with a local Federally Qualified Health Clinic (FQHC) and North Bay Regional Center has a request for proposal to assist with the development of a FQHC to offer comprehensive services to support individuals transitioning to North Bay's catchment area.

Task Force members' discussion included: cost-prohibitive apartments and condominiums for SLS services in Sonoma; cumbersome exemption process for housing funding; the need to ensure extensive resources (including mental health) are in place in the community now; the huge gap between individuals projected to transition to the community versus those who actually transitioned; the need to take a slow,

deliberate, person-centered approach with placing very complex individuals; and the Department's attention to quality control and independent monitoring is appreciated.

Recommendations of the Community Supports and Safety Net Services

Workgroup

Kent then provided an overview of the Community Supports and Safety Net Services Workgroup along with the background on the document the workgroup developed.

This workgroup followed the general process of previous workgroups by focusing on a specific topic – Community Supports and Safety Net Services – identified by the full task force. The group looked at what was already in the community, what needs to be established to make sure there is a robust safety net for individuals that can help keep them in the settings they are already in – when possible – and if not, where can they go to get the support and help needed to get them back to where they were.

The group developed general definitions of “safety net” and “crisis” to help focus discussions, as well as creating a set of general principles. Discussions focused on three areas: pre-crisis, gaps in crisis services and gaps in fundamental services, resulting in specific recommendations for the Department to implement. The workgroups' recommendations will help inform the Department's report on safety net services due to the Legislature in May 2017.

Director Bargmann then discussed the recent statewide stakeholder meetings on the safety net. Three different meetings were held in Napa on January 30, Fresno on February 3 and Costa Mesa on February 7. The meeting format replicated the 2014 new models of service stakeholder meetings that ultimately produced the EBSH and CCH recommendations.

Each meeting consisted of six to seven workgroups with representation from a variety of stakeholders including consumers, individuals who have transitioned from the DCs, family members who receive services through the regional center system, advocates, service providers, housing professionals, other departments and agencies, university staff and clinicians.

The goal was to look at the challenging service needs, recognizing there are needs in areas where the Department may not have the level of expertise available to get that input. The workgroups looked at a variety of topics and reported what is working well, what's not working well and offered recommendations. The Community Supports and Safety Net Services Workgroup document was used as reference for the overarching discussion. Common themes from these meetings were finalized and distributed to participants, posted on the DDS website and also helped inform the Department's May 2017 Safety Net report.

Today's discussion among Task Force members focused on wanting to see more specific action items, priorities and recommendations from the workgroup summary and

questions regarding next steps for the Department and for the Task Force. Kent followed up by saying the recommendations on the last page of the document are the first steps for the Department to start working on what the workgroup wants to achieve. Like the DC Task Force, the recommendations of the group are not explicit in how the Department should go about doing their work.

Suggestions were made to reword the first recommendation for clarity. The Department will have to prioritize what work is going to be done first, which recommendation can be rolled out when, and how the recommendations fit together with everything else that's going on within the Department and the general budgetary process. Everything the workgroup produced will be reflected in the May 2017 Safety Net report and tie into budget revisions, as well as a final DS Task Force report which will be similar to the previous DC Task Force report in providing overarching policy direction to the Department and the Administration.

Secretary Dooley added her reaction to the conversation by mentioning how useful these conversations, cooperation and collaborations have been. In the past, there was a consensus of the priorities of the Task Force and the Administration has been able to implement many of those recommendations. This safety net document reads like a wish list – an ideal state that the process of community engagement has resulted in and what else would need to be added. The Administration will not be able to do everything that is on this list, but it will inform various legislative and budget proposals from one year to the next.

Additional comments regarding this workgroup from the Task Force members included how far we have come, keeping the assessment process local, streamlining processes, using programs that are already in place to prevent further costs down the line and looking at successful programs and process like the University Centers for Excellence in Developmental Disabilities.

Public Comments (Morning)

Before breaking for lunch, Secretary Dooley opened the microphone for public comment. The comments echoed the Task Force discussion and also included the following observations/concerns:

- the need for adequate funding system wide
- families/clients enrolled in self-determination should not have to pay for their financial manager from their SDP budget
- the need for trained staff and the high turnover rate
- low IHHS rates and wages
- SLS and lack of affordable housing
- the need for mental health and medical crisis services
- hopefulness after participating in the safety net stakeholder meetings
- proper intervention prior to a crisis

- a request to have the rate study RFP in a more prominent/easily accessible place on the DDS website
- the lack of time spent on the rate study issue as compared to other issues
- the need for more legislative initiatives that would provide some kind of financing options specifically for people with developmental disabilities
- develop a safety net where there are layers of nets, so if one is broken or tears, there could still be support because there will be another safety net

Recommendations of the Employment Workgroup

After the lunch break, Kent provided an overview of the Employment Workgroup, their focus and background on the document the workgroup developed.

The Employment Workgroup's focus started with examining the barriers to employment, constraints and gaps in services. Then, the group transitioned into defining an ideal, person-centered environment for employment. From there, the group created policy recommendations. First, the overall goal of the state should be to maximize participation and competitive, integrated employment. The second was that the DS Task Force supports the efforts contained in the CIE blueprint and recommends that the three departments (Department of Developmental Services, Department of Rehabilitation and Department of Education) continue to work to align their policies in the blueprint process as well as utilize the blueprint structure to implement policy recommendations as appropriate.

The CIE blueprint is an effort between the three departments for the last two years to develop a blueprint for competitive and integrated employment for individuals with developmental disabilities. The blueprint was out for public comment, but the workgroup is revising based on those comments and will have a final version out in the next few months. The focus is on what the departments can do with their coordination and policy initiatives to move towards the goal of competitive and integrative employment.

Comments from the Task Force members included:

- the need for employer education about individuals with I/DD
- the need for alternatives for those who don't want to or can't transfer from a sheltered workshop to CIE
- ensure meaningful (to the individual) employment opportunities, clarify what employment means individuals
- ensure we can pay for individuals who are enrolled in the paid internship program
- make the CIE process easy and streamlined
- ensure the blueprint is directive enough to translate at the local level to produce outcomes that move systems forward
- concern that group support employment is sort of an unknown status, especially with the Department of Rehabilitation which is limiting how people can access services

- address the HCBS “compliance” vs. “transition” issue to see if more providers are in need of funding
- address concerns about benefits and employment so to not lose SSI benefits

Public Comments (Afternoon)

Before ending the day, Secretary Dooley opened the floor for additional Task Force and/or public comments. Responses included asking for adequate time to get dates of meetings on the calendar; sheltered workshops do work for some individuals with physical limitations, but are not for everyone; the vast amount of quality information in the rate study RFP about the history of the system; urging capacity building and creating an infrastructure for training in regards to CIE.

Next Steps

Kent indicated the goal is to have a two or three more workgroup meetings on housing and then wrap the process up by the end of the fiscal year. From there, a report will be drafted in a similar manner as the DC Task Force, so the group can then transition into more of an advisory group as recommendations in all areas the Task Force has focused on moves forward.

ATTACHMENT 5

DS Task Force Workgroup Meeting Summaries 11 pages

- Rates Workgroup Discussion Items and Points of Consensus
- Regional Center Workgroup Points of Consensus
- Community Supports and Safety Net Services Summary
- Employment Workgroup Summary
- DS Task Force Housing Workgroup Summary Document

Rates Workgroup Discussion Items and Points of Consensus

Guiding Principles

- The Lanterman Act
- Sustainability
- Person- Centered; preserving choice
- Cost efficient and effective
- Flexibility
- Equality
- Utilization of Market Forces
- Transparent
- Streamlined
- Supporting Diversity
- Proper Incentives
- Quality assurance and outcome measures

Constraints

- Federal Rules
- Limited Resources
- Other care systems
- Geographic Disparities
- Workforce Issues
- Oversight Requirements
- Other Federal, State and Local laws

Questions of Inquiry

- Who sets rates?
- How are rates determined?
- How are rates adjusted?
- How is cost containment structured?
- What are the incentives for service and cost containment?

- What works in current system?
- What works in other systems?
- What is the policy direction?
- How should claims be made, i.e. service codes?
- What can be streamlined?
- How do we measure outcomes?

Points of Structural Agreement

- Centralized rate setting by the Dept. of Developmental Services (DDS) to the extent possible with local flexibility
- Rate setting by standardized, transparent mechanism
- Rates should have some index to cost of living or local pressures or streamlined exemption process
- Align to CMS rules to maximize funding
- Streamline billing codes
- Rates should be fewer and be more broad with programmatic flexibility
- Policies should be looked at to make sure they are driving rates in the right direction
- Needs to be standards of quality and outcome measures
- Transparency for negotiated rates
- Set standards of quality for service, like the Commission on Accreditation of Rehabilitation Facilities (CARF), and tie to funding
- There should be funding for new programs, similar to the Community Placement Plan (CPP)
- Utilize a vendorization process to ensure quality at the beginning
- There should be some measure for consumer satisfaction

Regional Center Workgroup Points of Consensus

Goal: Efficient, responsive, culturally competent, high quality person-centered planning and service coordination with streamlined, sustainable funding and organization that allows for necessary local flexibility, quality assurance and resource development.

Recommendations:

- Funding should remain based on caseload ratio
- The core staffing formula should be revised by Dept. of Developmental Services and the Association of Regional Center Agencies (ARCA) working together with stakeholders, with a focus on person centered planning, salary issues and streamlining
- There should be the flexibility to have a lower caseload for specialized populations such as Developmental Center movers, early start, and those involved in the criminal justice system, as well as flexibility for moments of crisis.
- There should be a mechanism for periodic review and adjustment of caseload ratios
- There should be minimum qualifications for Service Coordinators, perhaps a MSW, and salaries to retain that level of expertise
- The duties of the Service Coordinators should be examined to see if some duties could be shared in a team approach or taken over by general staff
- Technology should be evaluated to see where it might improve services and create efficiencies
- Other systems of care should be examined to see if aspects could be beneficial to the Regional Center (RC) system
- Need to streamline paperwork and operations
- Need to work on transition points to other systems of care, perhaps by having a liaison at the RC
- There are serious concerns about the interpretation of the requirement for most cost effective services
- There should be some measure of consumer satisfaction
- There should be an examination of whether positive outcomes could be tied to extra funding
- Audits should help prevent issues
- Quality assurance needs to be enhanced with a focus on consumer outcomes
- Re-evaluate reportable data and documentation to ensure that it is capturing meaningful information

Community Supports and Safety Net Services Summary

General Definition of a Safety Net:

Timely access to essential services and supports necessary for persons with developmental disabilities to maintain health and safety and to address medical, psychiatric, behavioral, residential, staffing, equipment, or other needs, when other services and supports fail, are interrupted, are not available, or additional services and supports are necessary for an urgent or medical need. May or may not require a change in placement.

Definition of a Crisis:

A situation that without the presence of services would result in a severe negative impact to that person's life

General Principles:

- A range of supports is necessary for a "safety net" system, if a piece is missing, it impacts the whole system
- The focus should be on person-centered planning
- Safety net involves many components- an enhanced medical system, including medical, dental, behavioral health, equipment repair, medication tracking, day program, and employment
- The safety net system should be flexible
- Services must be developed to support consumers who are involved or at risk of becoming involved with the criminal justice or civil commitment systems
- Trusted, trained staff are key
- Services should align with new federal rules
- Ensure services are available throughout the state
- For crisis services there must be immediacy
- Utilize least restrictive interventions
- Focus not only on the point when someone enters a crisis, but also the point before they enter into crisis
- The priority should be creating stability and keeping people in their homes
- There should be a place where people can be stabilized and then transitioned back when it's safe for the community and the person
- There should be mechanisms to help people return to their former home after a crisis if they want to return to that home

- Prevention is important to keep someone from escalating into the criminal justice system
- Look at the original, organic diagnosis, in addition to what is immediately presented for intervention techniques
- With consumers who have been traumatized or abused, look at compliance, prevention measures and behavior factors
- Ensure training in trauma informed care
- We need to develop an array of living options for those in an Institutions for Mental Disease (IMD) due to a crisis so they can return to the community
- There needs to be a reeducation of systems involved in crisis care, including stakeholders outside of the DD/IDD system, such as the police
- Self-determination should be examined as a component
- There should be a safety net that supports individuals of all ages, from youth to seniors
- There needs to be state oversight to ensure the delivery of quality services

Three Areas of Focus and Policy Recommendations

Pre-Crisis Service Recommendations

- There should be a model of funding similar to the Community Placement Plan (CPP) that allows for startup, support and innovation for those currently being served in the community.
- Staffing and training should be evaluated for specialized facilities and supports, as well as the needs of complex consumers
- There should be more robust “warp- around” services, such as medical, dental, psychiatric management, medication management, and durable medical equipment
- There should be a focus on person-centered planning and evaluation of supports
- Utilize state staff transferring into the community
- There should be a focus on cultural competencies and language barriers
- Improved transportation
- Increased therapeutic day program options
- Development of secure housing to prevent more restrictive placements

- There needs to be better communication across the system about crisis services and supported living
- The goal should be to keep people in their homes

Crisis Services Gaps

- There should be faster placement and more flexible schedules for return back to the community
- There should be comprehensive assessments of people in crisis, which include thinking long term about the individual needs
- Ensure crisis programs correctly medicate
- Develop more mobile, timely crisis teams
- Increased crisis setting capacity, potentially state operated
- Develop resources for families to call if an individual is having a crisis
- Reduction in caseload for a period of time for individuals who are in crisis
- There should be training available for first responders for our consumers in crisis

Gaps in Fundamental Services

- Develop more managed care
- Need to have flexibility in timelines in movement
- Need to develop long-term, community based, residential options for individuals with significant service needs
- Need to develop community based models that support the service needs of individuals involved or are at risk of becoming involved in the criminal justice system
- Need to develop long-term community options for Registered Sex Offenders
- Try to prevent bouncing around from home to home; makes the individual look undesirable and providers do not want to take that individual – safety concerns and psych issues
- Have complex crisis settings throughout the state so individuals are not traveling long distances during a crisis
- Ensure a “no reject” setting

- There needs to be more state oversight of safety net services
- There should be a transition rate for service provider staff to allow them to help individuals transition through multiple settings
- There should be start-up funds for the community to help develop safety net services, similar to CCP
- There should be more coordination with police and first responders
- There should be an examination of the median rate

Recommendations for the California Department of Developmental Services (DDS):

- The department should evaluate where there are service gaps in crisis and “wrap-around” services throughout the state
- The department should evaluate opportunities for increased training and coordination
- The department should evaluate its current oversight and work with stakeholders on refining and enhancing this oversight to ensure a quality statewide safety net
- DDS should incorporate these principles and recommendations in to their legislative report on safety net services

Employment Workgroup Summary

Barriers & Constraints – The Gaps

- The bureaucratic process
- Coordination of systems and all the moving pieces
- Data – everyone has different definitions and populations are measured differently; data doesn't always give quality and accurate information to help with goals and outcomes
- Benefits management – it's fragmented and hard to get advice
- Lack of exemptions and flexibility
- Health and medical issues/health care
- Transportation
- Preparation for work starting early, ideally before an individual reaches age 18
- Money/funding
- Need funding specific to job development, CA Department of Rehabilitation (DOR) doesn't fund
- Need better compensation than sub-minimum wage
- Licensing regulations and redundant requirements
- Non-profit statutes and certification requirements (like the Commission on Accreditation of Rehabilitation Facilities - CARF)
- Basic information and resources including where to go with questions, risk of benefits if an individual loses a job, reasonable accommodations, etc.
- Filling the gap because the Developmental Centers (DCs) are closing – develop programs and policy recommendations to take the place of the DCs successful work programs
- Geographic and wage discrepancies
- Diversity/cultural integration
- Losing momentum after graduating from school
- Community engagement and education
- Lack of communication with employers
- Bridge the gap from the segregated world to the community
- High failure rate for micro-enterprise and how to measure success
- Structure of integrated employment – what is it exactly?
- Rebuilding and/or building capacity with limited resources
- Competitive wages and adequate training for staff
- Accountability, honesty and relationships when dealing with quality assurance
- Defining outcomes/goals for the medically fragile, aging populations and those who cannot or do not want to work
- Advancement funding challenges – no opportunity right now to help people move up or out in groups for employment
- Blanket elimination of limited-term sub-minimum wage
- Limited employment opportunities of those who live in group homes due to time constraints

Goals & Pillars – The General Guidelines

- Person-centered approach, no “one-size-fits-all”
- Ease of navigation for individuals and families throughout the system
- Streamlined system and a seamless process
- Transitions supported to the new system as rules and regulations change
- Good communication of risk and benefits and understanding how the system flows using a roadmap
- Early outreach, culture change with all systems involved in the process
- Define quality outcomes and how to measure
- Culturally diverse services that reach underserved communities
- Clarification and streamlined definitions across systems
- Community supports that get people and keep people employed
- Flexibility in funding models – fewer rates and more flexible and allowing for exceptions/exceptional supports
- Employer outreach and engagement, including to enhance diversity
- Education and increasing understanding of the workforce for individuals
- Stability, supports over time
- Development of resources and services for people who chose not to or cannot work – medically fragile and aging population
- Quality outcomes for community served – volunteer or community engagement instead of employment
- Ensuring healthcare and home environment are in line and supporting an individual to be successful in pursuing employment

Policy Recommendations:

- The overall goal of the state should be to maximize participation in Competitive Integrated Employment (CIE).
- The DS Task Force supports the efforts contained in the CIE Blueprint and recommends that the three departments continue to work to align their policies through the Blueprint processes, as well as utilize the Blueprint structure to implement these policy recommendations as appropriate.
- There must be a focus on transitioning consumers from sheltered workshops with coordinated plans between departments and funding for helping this transition
- There should be the ability for local pilot projects centered around employment
- The department should also work toward developing integrated options for those who working is not a good option
- There should be improved communication to consumers and families about the options for employment, including how employment might interact with other benefits a consumer may have

- The department should review existing laws and regulations to ensure they are supportive of employment and allow for flexibility where appropriate
- The department should develop measures for quality assurance and improvement for employment services
- The department should develop strategies for employer outreach and education
- The department should also consider pilot programs focused on underserved communities

DS Task Force Housing Workgroup Summary Document

Barriers:

- State and Federal integration policies limits on the population that can live in a home or in a development, 25% versus 10% versus 50%, as a barrier to housing.
- Different rules and different agencies that don't necessarily coincide.
- Permits and requirements for building, getting through that process can be difficult.
- Settings rules can be a barrier
- High cost of rent; Lack of rental subsidies for Developers to offer reduced rents in Multi-family housing projects.
- NIMBYism – getting the community to support the home.
- Cultural barriers to accessing the certain housing and how to communicate through that
- Geography and geographic disparities
- Our population not having the income or employment to sustain housing in certain areas
- Supply and price of property in California – tight credit, the market is high and hard and finding the right kind of home that is accessible and usable
- Bureaucratic/ Eligibility requirements – the inflexibility and difficulty in just getting through systems
- Homelessness definition and how that definition intersects with what services people can get
- The lack of capacity in the regional centers for housing expertise
- People understanding options and knowing how transitions will work.
- The general lack of flexibility, sometimes, in how to approach housing.
- Criteria for 811
- Health & Safety Waiver process is too cumbersome
- Insufficient funding and startup costs

Guiding Principles:

- housing should reflect the person-centered choice
- there should be flexibility
- Housing should be accessible, affordable and sustainable
- there should be practical supports to stay in one's own home and sustain what there already is
- housing options should be culturally sensitive
- there needs to be good information for everyone to understand the options and to navigate the system
- we have to maximize our federal dollars
- Need to incentive the right kind of settings
- All ages accommodated

- There should be long term planning
- There should be a way to maintain inventory
- Should try and get housing in a safe area
- Look at successful models

Gaps:

- Affordable housing
- Cross system utilization
- crisis homes and settings
- Mobile crisis supports
- dual diagnosis homes
- an aging home for our consumers that are aging and have issues such as Alzheimer's

Recommendations:

- Use the Achieving a Better Life Experience (ABLE) Act to the extent possible
- Examine if the Federal Section 811 Supportive Housing for Persons with Disabilities program criteria could be modified to make it more accessible/user friendly for our population
- There should be planning for the aging population, including the development of specialized models
- Develop more mobile crisis teams
- The department should look at changing supported living rules to be more clearly defined and to allow for greater flexibility
- The department should look at ways to maximize the funding from other programs, including local programs
- The department should evaluate what incentives could be developed to maintain and/or increase capacity by keeping homes in the system
- The department should evaluate ways to make funding more flexible
- Maximize the "buy it once" model
- Maintain funding of CPP and allow for more flexibility in how it is used
- The department should have some funding to help if an individual has a housing emergency
- The department should evaluate the effectiveness of new and existing models of housing and supports currently under development to see if an additional model is needed for individuals with a dual diagnosis
- Home modifications and accessible housing/universal design are additional ways to better serve the individuals in our system that have housing needs
- The Department will continue to evaluate housing stock and housing needs