

TRI-COUNTIES REGIONAL CENTER

EXECUTIVE DIRECTOR REPORT

June 8, 2013

I. FY 2013-2014 BUDGET & LEGISLATIVE UPDATE

- **Attachment #1:** Governor's Budget - May Revision Highlights
Department of Developmental Services
- **Attachment #2:** ARCA Analysis of the May Revision for FY 2013-14
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Signs SB 67 IHSS Court Settlement Bill
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Appoints Members to the Future of the Developmental Centers
Task Force

Governor Brown released his May Revise Budget Proposal on May 14, 2013. The Governor's May Revision Proposal is an update to his initial budget proposal released on January 10, 2013. The 2013 May Revise includes almost \$5.0 billion total funds (\$2.8 billion General Fund) for the Department of Developmental Services (DDS) in FY 2013-14. This includes funding for Regional Centers, Developmental Centers and DDS Headquarters.

The FY 2013-14 budget includes a \$151.8 million increase in POS over the revised current year budget. \$116.5 million of the increase is for caseload and utilization growth. \$40 million of the increase is to restore the funds due to the sunset of the 1.25% payment reduction.

The regional centers Operations (OPS) budget for FY 2013-14 includes a \$24.6 million increase over the revised current year budget. \$16.9 million of the increase is for caseload and utilization growth. \$6.7 million of the increase is to restore the funds due to the sunset of the 1.25% payment reduction.

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The Governor's May Revision lists four future fiscal issues for the DDS budget:

- The impact from changes to the Autism Spectrum Disorder classification in the Diagnostic and Statistical Manual (DSM) Version IV to DSM-5
- The potential change in Federal overtime requirements – DDS has estimated this could cost an additional \$21 million in POS
- Changes in Rates for Intermediate Care Facilities (ICFs)
- The 8% reduction in In-Home Supportive Services (IHSS) hours for all recipients.

The Governor's May Revise Budget Proposal is currently going through consideration by the Legislature in Budget Subcommittees in the Senate and the Assembly. Discrepancies are sent to the Budget Conference Committee to be resolved. Typically, the Budget Conference Committee considers those budget items and issues where the Assembly and Senate took different actions, or a new or alternative proposal that the Governor, or either house of the Legislature is proposing.

The first meeting of the Budget Conference Committee was held on May 31st. No additional public comments are taken at these meetings, however they are open to the public and normally televised and streamed live by Cal Channel. The public can still at any time during the budget process send letters to the leadership of both houses and to the Budget Conference Committee Chairs regarding views and positions on specific budget issues.

The Budget Conference Committee will report out to the Assembly and Senate floors their actions and items still unresolved – expected sometime on or before the June 15th constitutional deadline that requires the Legislature to pass a budget and present it to the Governor. The next step will be for both floors of the Legislature to vote on a final budget plan before the end of June. Given that only a majority is required to pass a budget, including trailer bills (unless there is a revenue increase proposed), it is expected that a budget will be passed before June 30, 2013.

There are many bills currently going through Legislative process. An excerpt of bills tracked by ARCA is included as an attachment to this report. The continuation of the Annual Family Program Fee permanently, that was scheduled to sunset June 30, 2013, appears to be supported and likely to pass.

The Budget Conference Committee is meeting on three very important issues to the Regional Centers: restoring Medi-Cal Adult Dental Benefits that were eliminated in 2009, adding Applied Behavioral Analysis (ABA) Services to Medi-Cal managed care plans, and restoring eligibility to Early Start before the 2009 cuts. All are currently left open pending ongoing negotiations with Governor Brown.

In 2009, the Governor proposed and the Legislature approved as part of the 2009-2010 State Budget, the elimination of 9 Medi-Cal "optional benefits" including adult dental services. Children up to age 22 in the Medi-Cal program continued to receive Medi-Cal dental services. Certain dental services for adults with developmental disabilities have been provided to those eligible for regional center funded services effective January 2012, through Denti-Cal, funded by DDS. The Senate has proposed full restoration of services effective in 2013 costing \$262 million in total funds for FY 2013-14.

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Currently ABA services are not a Medi-Cal benefit but the Senate has proposed adding ABA services as a Medi-Cal benefit for children who are not eligible for regional center funded services and to assist those children transitioning from the Healthy Families Program to Medi-Cal managed care. The proposal estimates a cost of \$100 million total funds for FY 2013-14.

Early Start is the State's federally matched funded early intervention program. In 2009, the Governor and Legislature enacted major reductions to the program including significant narrowing of eligibility. The Assembly has proposed increasing Early Start funding by \$12 million to restore eligibility to the pre-2009 level.

ARCA has a petition for Early Start restoration, which will be sent to all members of the Committee, as well as Leadership and the Governor. If you have not signed it, it is not too late and you can make a difference (see Attachment #9). If agreement cannot be reached between the Legislature and the Governor, the issue will not be readdressed this year.

Governor Brown signed SB 67 which includes a temporary 8% across-the-board cut in hours for all IHSS recipients beginning July 1, 2013, followed by a smaller 7% cut beginning July 1, 2014 and ending on June 30, 2015. The temporary reductions will replace an existing 3.6% across-the-board cut in hours to all IHSS recipients that was originally authorized as part of the FY 2010-11 State Budget, and is scheduled to end on June 30, 2013. IHSS workers will see a reduction in their pay that corresponds with the reduction in lost hours.

The U.S. Ninth Circuit Court of Appeals upheld the right of California to impose a 10% rate reduction on providers of Medi-Cal services. The 10% reduction represents about \$600 million a year to California's budget. The Legislature passed the 10% across-the-board reductions in 2011 which was put on hold until the court case could be resolved. State officials have said that the reduction can be paid back over four years which would mean a 15% rate reduction for Medi-Cal providers over the next four years and a 10% reduction after that. Two bills going through the Legislature now would reverse the 10% cut.

The Governor has proposed Trailer Bill Language that would **forbid** Regional Centers from reimbursing insurance deductibles and severely limit their ability to pay co-pays/co-insurance. As of now, the Legislature has adopted this language. **If we do not act it will become permanent and any families who are currently receiving funding for co-pays or deductibles from any Regional Center are at risk of losing them starting July 1, 2013.** The circumstance is dire and immediate action is needed to reverse this outcome. See Attachment #10 to contact the Governor and Legislators.

II. CASH FLOW UPDATE

TCRC has secured a revolving credit line with Union Bank in the amount of \$33.6 million. This credit line is intended to pay for services provided in the current year, FY 2012-13, in the event cash reimbursements from the State are delayed. This credit line extends through October 15, 2013, after which we expect to have adequate funding available from the FY 2013-14 cash advances.

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Due to recent delays in funding from the State, TCRC was required to draw \$1 million against the credit line at the end of May to sufficiently cover the last POS pay date and payroll of the month. State reimbursement was received on May 31st and the credit line was repaid on June 3rd. Given the continued delays in payment from the State, we are anticipating the need to access the credit line during July.

For FY 2013-14, Union Bank will not provide a line of credit specifically for cash flow challenges created by possible delays in the Legislature and/or Governor approving the budget for the year. TCRC is not anticipating a need for this line, however, the timeliness of the cash advances for FY 2013-14 is a significant factor in ensuring adequate cash to meet obligations. TCRC expects that the revolving line of credit for FY 2013-14 will be renewed on or around October 1, 2013.

As in past years, we strongly encourage all TCRC service providers to make efforts to secure their own lines of credit with their banks.

III. STATE PLAN AMENDMENT BY THE CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS) – SECTION 1915i

- **Attachment #12:** DDS Secures Expanded Federal Funding for Community Based Services
- **Attachment #13:** Excerpts from ARCA Federal Programs Presentation
What is the 1915 (i)?

IV. AUTISM HEALTH INSURANCE PLAN MANDATE (SB 946) IMPLEMENTATION

- **Attachment #14:** June 2013 – SB 946 Insurance for Autism
- **Attachment #15:** TCRC SB946 Procedures for Authorization of Co-Payments and Co-Insurance

V. ANNUAL POS STATEMENT OF SERVICES – Required by State Law (Welfare & Institutions Code Section 4648(h))

The annual POS Statement of Services will be mailed to approximately 12,000 persons served and/or their family members on or around June 15, 2013. The statement will indicate services purchased by TCRC on behalf of the person served, and corresponding costs, for the calendar year 2012. The mailing will also include a sample of how to read the statement and frequently asked questions. The statement does not include costs associated with support, assistance and expertise provided by a person's service coordinator. Questions about the statements should be directed to the service coordinator.

VI. Q & A

Department of Developmental Services

May Revision Highlights



**Edmund G. Brown Jr.
Governor
State of California**

**Diana S. Dooley
Secretary
California Health and Human Services Agency**

**Terri Delgadillo
Director
Department of Developmental Services**

May 2013

DEPARTMENT OF DEVELOPMENTAL SERVICES MAY REVISION HIGHLIGHTS

PROGRAM HIGHLIGHTS

The Department of Developmental Services (the Department) is currently responsible under the Lanterman Developmental Disabilities Services Act (Lanterman Act) for ensuring that 257,793 persons with developmental disabilities receive the services and support they require to lead more independent and productive lives and to make choices and decisions about their lives.

California provides services and supports to individuals with developmental disabilities in two ways: the vast majority of people live in their families' homes or other community settings and receive state-funded services that are coordinated by one of 21 non-profit corporations known as regional centers. A small number of individuals live in four state-operated developmental centers and one state-operated community facility. The number of consumers with developmental disabilities in the community served by regional centers is expected to increase from 256,224 in the current year to 265,097 in Fiscal Year (FY) 2013-14. The number of individuals living in state-operated residential facilities will be 1,209 by the end of FY 2013-14.

The 2013 May Revise includes \$5.0 billion total funds (\$2.8 billion General Fund) for the Department in 2013-14; a net increase of \$35.7 million above the 2013 Governor's Budget.

COMMUNITY SERVICES PROGRAM

2012-13

To provide services and support to 256,224 persons with developmental disabilities in the community, the May Revision updates FY 2012-13 funding to \$4.2 billion total funds (\$2.3 billion GF). The May Revision includes an increase of \$41.4 million total funds (\$48.6 million GF) for regional center operations (OPS) and purchase of services (POS). This is primarily composed of:

Caseload and Utilization

\$41.2 million (\$12.6 million GF) increase in regional center OPS and POS costs due to updated caseload and expenditure data including Home and Community Based Services (HCBS) waiver enrollment above budgeted levels.

Fund Shifts:

- California Children and Families Commission (POS) – \$25.0 million from reimbursements to GF to reflect a reduction in funding from the Commission.

- Title XX Social Services Block Grant (POS) – \$5.7 million from reimbursements to GF to reflect a Federal Sequester reduction.
- Annual Family Program Fee (AFPF) (POS) – \$3.4 million from the Program Development Fund (PDF) to GF to reflect an update of revenues based on actual assessments, exemptions and collections in administering the program.
- 1915(k) State Plan Amendment (SPA) (POS) – \$1.9 million from reimbursements to GF due to the deferred inclusion of developmental services in the SPA.

2013-14

The May Revision projects an average community caseload of 265,097 individuals in the budget year, a decrease of -1,003 consumers from the 2013 Governor's Budget. The estimate proposes 2013-14 funding for services and support to persons with developmental disabilities in the community at \$4.4 billion total funds (\$2.5 billion GF), an increase of \$31.7 million (\$23.8 million GF) over the 2013 Governor's Budget. The significant regional center budget changes include:

Caseload and Utilization

\$33.6 million (\$0.7 million GF) increase in regional center OPS and POS costs due to updated caseload and expenditure data including HCBS waiver enrollment above budgeted levels.

Fund Shift

- Title XX Social Services Block Grant (POS) – \$11.9 million from reimbursements to GF to reflect a Federal Sequester reduction.
- AFPF (POS) – \$3.3 million from the PDF to GF to reflect an update of revenues based upon information regarding actual assessments, exemptions and collections in administering the program.
- 1915(k) SPA (POS) – \$7.0 million from reimbursements to GF due to the deferred inclusion of developmental services in the SPA.

Early Start

- Early Start (POS and Other Agency Costs) - \$3.4 million decrease in the Federal grant due to a Sequester reduction and reallocation of Part C funds among states, of which \$0.6 million is being backfilled for POS for a net reduction of \$2.8 million.

DEVELOPMENTAL CENTERS PROGRAM

2012-13

To provide services and support for 1,569 residents in developmental centers (average in-center population) the May Revision updates FY 2012-13 funding to \$547.0 million (\$292.4 million GF), an increase of \$1.8 million (\$8.5 million GF) over the 2013 Governor's Budget. Authorized positions remain at 5,154. The significant developmental center budget changes include:

- \$0.3 million (\$0.2 million GF) to fund the Independent Consultative Review Expert (ICRE) contract as required by the Sonoma Developmental Center (Sonoma) Program Improvement Plan (PIP).
- \$7.4 million fund shift from Reimbursements to General Fund to backfill loss of Federal Funding from the four Sonoma Intermediate Care Facility (ICF) units withdrawn from Medi-Cal.
- \$1.5 million (\$0.9 million GF) funding increase due to higher than anticipated resident population on April 1, 2013, primarily based on fewer individuals transitioning from Lanterman Developmental Center to community settings. The increase includes \$1.0 million (\$0.6 million GF) in Level of Care (LOC) and \$0.5 million (\$0.3 million GF) in Non-Level of Care (NLOC). The staffing needed to support the increased residential population is formula driven based on approved standards. However, positions are not being requested at this time, due to the current DDS vacancy rate.

2013-14

For FY 2013-14, the May Revision provides services and support for 1,333 residents (average in-center population) in developmental centers, an increase of 29 residents from the 2013 Governor's Budget. This increases funding to \$542.9 million (\$297.6 million GF); an increase of \$3.9 million (\$18.4 million GF). Authorized positions remain at 4,768. By the end of the budget year there is expected to be 1,209 individuals residing in the state operated facilities. Adjustments to the 2013 Governor's Budget for the developmental centers include:

- \$1.5 million (\$0.9 million GF) funding increase change due to the anticipated increase of 29 residents primarily from lower than projected transition of individuals into the community from the 2013 Governor's Budget. The increase includes \$2.3 million (\$1.4 million GF) in LOC and -\$0.8 million (-\$0.5 million GF) in NLOC. The staffing needed to support the increased residential population is formula driven based on approved standards. However, positions are not being requested at this time, due to the current DDS vacancy rate.
- \$2.5 million (\$1.7 million GF) to fund the on-going ICRE contract as required by the Sonoma PIP.

- \$15.7 million Fund shift from Reimbursements to General Fund to backfill loss of Federal Funding from the four Sonoma ICF units withdrawn from Medi-Cal.
- May Revise requests provisional language to authorize up to \$10 million General Fund to address costs necessary to implement the Action Plan developed in accordance with the Program Improvement Plan for the Sonoma Developmental Center.

LANTERMAN DEVELOPMENTAL CENTER CLOSURE UPDATE

The May Revision continues to support Developmental Center and Community efforts towards closure of the Lanterman facility. The Department, working with regional centers, anticipates the transition of approximately 100 Lanterman Developmental Center (Lanterman) residents in FY 2012-13, 10 less than projected from the 2013 Governor's Budget. The May Revision anticipates the transition of another 120 residents to community living arrangements in FY 2013-14, an additional 10 above the 2013 Governor's Budget.

- The May Revision includes a \$0.4 million (\$0.2 million GF) increase with no position adjustment in 2012-13:
 - \$0.4 million (\$0.2 million GF) funding increase (\$0.3 million LOC and \$0.1 million NLOC) resulting from higher than anticipated residential population at Lanterman over the course of the year based on fewer individual placements in the community for 2012-13. The staffing needed to support the increased residential population is formula driven based on approved standards. However, positions are not being requested at this time, due to the current DDS vacancy rate.
- The May Revision reflects a net decrease in 2013-14 of -\$0.4 million (-\$0.2 million GF) and no positions:
 - -\$0.4 million (-\$0.2 million GF) reduction which is the result of an anticipated increase in the average in-center population from 85 to 91 residents, as compared to the 2013 Governor's Budget, as well as an ICF unit closure. The change includes an increase of \$0.5 million in LOC and a reduction of -\$0.9 million in NLOC.

The Lanterman Closure Update Report and closure milestones will be released separately.

CAPITAL OUTLAY

The May Revise does not include any new Capital Outlay requests.

HEADQUARTERS

The May Revise does not include any new Headquarters requests.

**DEPARTMENT OF DEVELOPMENTAL SERVICES
2013 May Revision**

FUNDING SUMMARY

(Dollars in Thousands)

	2012-13	2013-14	Difference
BUDGET SUMMARY			
COMMUNITY SERVICES	\$4,207,775	\$4,381,422	\$173,647
DEVELOPMENTAL CENTERS	546,956	542,928	-4,028
HEADQUARTERS SUPPORT	37,796	39,280	1,484
TOTALS, ALL PROGRAMS	\$4,792,527	\$4,963,630	\$171,103
FUND SOURCES			
General Fund	\$2,661,324	\$2,801,540	\$140,216
Reimbursements: Totals All	2,068,250	2,102,438	34,188
<i>Medicaid (aka HCBS) Waiver</i>	1,153,168	1,193,805	40,637
<i>Medicaid (HCBS) Waiver Administration</i>	8,889	9,435	546
<i>Medicaid Administration (NHR)</i>	11,359	11,685	326
<i>Targeted Case Management</i>	140,399	148,952	8,553
<i>Targeted Case Management Admin.</i>	3,977	4,016	39
<i>Medi-Cal</i>	244,847	235,857	-8,990
<i>Title XX Block Grant</i>	219,400	213,191	-6,209
<i>Self-Directed HCBS Waiver</i>	348	390	42
<i>ICF-DD/State Plan Amendment</i>	55,478	58,193	2,715
<i>Quality Assurance Fees (DHCS)</i>	9,818	10,297	479
<i>California First Five Commission</i>	15,000	0	-15,000
<i>1915(i) State Plan Amendment</i>	161,556	167,842	6,286
<i>Money Follows the Person</i>	14,867	14,867	0
<i>Homeland Security Grant</i>	57	391	334
<i>Race to the Top</i>	286	286	0
<i>Early Periodic Screening Diagnostic & Treatment</i>	13,190	17,587	4,397
<i>Other</i>	15,611	15,644	33
Federal Trust Fund	55,083	51,653	-3,430
Lottery Education Fund	465	465	0
Program Development Fund (PDF)	6,125	6,256	131
Mental Health Services Fund	1,129	1,128	-1
Developmental Disabilities Svs Acct	150	150	0
AVERAGE CASELOAD			
Developmental Centers	1,569	1,333	-236
Regional Centers	256,224	265,097	8,873
AUTHORIZED POSITIONS			
Developmental Centers	5,154.0	4,768.0	-386.0
Headquarters	374.5	374.5	0.0

DEPARTMENT OF DEVELOPMENTAL SERVICES
2013 May Revision

(Dollars in Thousands)

	2012-13	2013-14	Difference
Community Services Program			
Regional Centers	\$4,207,775	\$4,381,422	\$173,647
Totals, Community Services	\$4,207,775	\$4,381,422	\$173,647
General Fund	\$2,344,720	\$2,478,898	\$134,178
Dev Disabilities PDF	5,839	5,970	131
Developmental Disabilities Svs Acct	150	150	0
Federal Trust Fund	52,006	48,618	-3,388
Reimbursements	1,804,320	1,847,046	42,726
Mental Health Services Fund	740	740	0
Developmental Centers Program			
Personal Services	\$441,322	\$438,666	-\$2,656
Operating Expense & Equipment	105,634	104,262	-1,372
Total, Developmental Centers	\$546,956	\$542,928	-\$4,028
General Fund	\$292,404	\$297,635	\$5,231
Federal Trust Fund	510	510	0
Lottery Education Fund	465	465	0
Reimbursements	253,576	244,318	-9,258
Headquarters Support			
Personal Services	\$33,353	\$34,880	\$1,527
Operating Expense & Equipment	4,443	\$4,400	-43
Total, Headquarters Support	\$37,796	\$39,280	\$1,484
General Fund	\$24,200	\$25,007	\$807
Federal Trust Fund	2,567	2,525	-42
PDF	286	286	0
Reimbursements	10,354	11,074	720
Mental Health Services Fund	389	388	-1
Totals, All Programs	\$4,792,527	\$4,963,630	\$171,103
Total Funding			
General Fund	\$2,661,324	\$2,801,540	\$140,216
Federal Trust Fund	55,083	51,653	-3,430
Lottery Education Fund	465	465	0
Dev Disabilities PDF	6,125	6,256	131
Developmental Disabilities Svs Acct	150	150	0
Reimbursements	2,068,250	2,102,438	34,188
Mental Health Services Fund	1,129	1,128	-1
Caseloads			
Developmental Centers	1,569	1,333	-236
Regional Centers	256,224	265,097	8,873
Authorized Positions			
Developmental Centers	5,154.0	4,768.0	-386.0
Headquarters	374.5	374.5	0.0

ASSOCIATION OF REGIONAL CENTER AGENCIES ANALYSIS OF THE MAY REVISION FOR FY 2013-14 REGIONAL CENTER BUDGET MAY 14, 2013

Caseload

FY 2012-13

The projected number of Status 1 (Early Start) and Status 2 (Active) clients as of January 31, 2013 has decreased by 648 clients from the November Estimate number to 256,224.

FY 2013-14

It is assumed that the number of Status 1 and Status 2 clients will increase by 8,637 clients (3.4%) to 266,430 by January 31, 2014.

Purchase of Service (POS)

FY 2012-13

- There is a net increase to the POS budget of \$42.1 million due to updated caseload and expenditure data.
- There is also an increase of \$182,000 for the Quality Assurance fees for the Intermediate Care Facilities.

FY 2013-14

Overall there is a \$151.8 million (4.2%) increase in POS over the current year.

- A \$116.5 million increase over current fiscal year for caseload and utilization growth.
- A \$40.0 million for the restoration of funds due to the sunset of the 1.25% payment reduction.
- A \$438 thousand increase in Quality Assurance fees related to the ICF-SPA to reflect updated utilization data.
- A \$5.1 million decrease to copayments for services paid by health insurance providers. This decrease is due to Trailer Bill Language which will limit regional center payments for insurance copayments based on the family's ability to pay and to prohibit the payment of insurance deductibles.

Prevention

Funding for Prevention remains at \$2.0 million for the contracts with the Family Resource Centers. There is no funding for regional center services to Prevention Program consumers.

Regional Center Operations (OPS)

FY 2012-13

In the current fiscal year, there is a net decrease of \$0.9 million in OPS due to:

- Updated caseload numbers. This has resulted in a \$1.0 million decrease in OPS.
- A \$62 thousand increase in Federal Compliance funds for additional case managers to meet HCBS Waiver requirements.
- A \$33 thousand increase in the ICF-SPA Administrative Fees.

FY 2013-14

The budget year includes a \$24.6 million (4.6%) increase over the revised current year budget. This is a \$1.8 million decrease from the November Estimate which projected a \$26.4 million increase.

- The budget fiscal year now assumes an increase of \$16.9 million (3.7%) over current year due to updated caseload numbers.
- The 1.25% payment reduction will sunset on June 30, 2013. Consequently, \$6.7 million is restored to the OPS budget.
- A \$491 thousand increase in Federal Compliance funds for additional case managers to meet HCBS Waiver requirements.
- A \$507 thousand increase in Projects for the Quality Assessment Contract and the Homeland security Grant.
- The administrative fees regional centers receive for processing the ICF-DD SPA invoices has been increased by \$81 thousand due to projected increases in day program and transportation services for clients residing in ICF-DDs.

Funding

Some items of note in changes to regional center funding are:

- A \$3.3 million decrease in the estimated revenues from the Annual Family Program Fee (AFPF). Revenues from the AFPF were originally projected to be \$7.2 million and have now been decreased to \$3.9 million.
- Elimination of \$15 million from the California First Five Commission in the budget year. In the current year this had been reduced from \$40 million to \$15 million.

Future Fiscal Issues

The May Revision lists four items in this section.

- Diagnostic and Statistical Manual (DSM) Version IV to DSM-5 Impacts – At this time DDS does not know what affect the changes to the Autism Spectrum Disorder (ASD) classification will have on client growth.
- Potential Change in Federal Overtime Requirements – DDS has estimated that this potential change could cost the regional centers an additional \$21 million in POS.

- Change in Rates for Intermediate Care facilities – DDS is monitoring this situation.
- An 8% Reduction in In-Home Supportive Services (IHSS) Hours – DDS is working to estimate the cost of this reduction in IHSS hours. In previous fiscal years, whenever there has been a reduction in IHSS hours (or a reduction in services provided by other departments) the regional center budgets have been increased to compensate for the corresponding increase in POS due to the reduction.

**ASSOCIATION OF REGIONAL CENTER AGENCIES
SUMMARY OF CHANGES
FY 2012-13 BUDGET ACT TO MAY REVISION FOR FY 2013-14
MAY 15, 2013**

PURCHASE OF SERVICE BUDGET

	Purchase of Service	Quality Assurance Fees	Impacts from Other Departments	Copayments	Total POS
FY 2012-13 Enacted Budget	\$3,548,845,000	\$8,804,000	\$31,187,000	\$0	\$3,588,836,000
Update of Caseload, Utilization, and Expenditure Data	\$74,790,000				\$74,790,000
Decrease due to DHCS's Withdrawal of Proposed Copayments for Certain services			(\$30,832,000)		(\$30,832,000)
Copayments for Services Paid by Health Insurance				\$15,000,000	\$15,000,000
Increase in QA fees for updated Expenditure Data		\$182,000			\$182,000
Updated FY 2012-13 Budget - May Revision	\$3,623,635,000	\$8,986,000	\$355,000	\$15,000,000	\$3,647,976,000
Update of Caseload, Utilization, and Expenditure Data	\$115,957,000	\$438,000			\$116,395,000
Sunset of 1.25% Payment Reduction	\$40,518,000				\$40,518,000
Effect of TBL to Limit Copayments and Prohibit Paying Insurance Deductibles				(\$5,135,000)	(\$5,135,000)
Proposed FY 2013-14 Budget - May Revision	\$3,780,110,000	\$9,424,000	\$355,000	\$9,865,000	\$3,799,754,000

REGIONAL CENTER OPERATIONS BUDGET

	Operations	ICF-DD Administrative Fees	Total Operations
FY 2012-13 Enacted Budget	\$533,326,000	\$1,631,000	\$534,957,000
Caseload and Expenditure Update	\$2,425,000	\$33,000	\$2,458,000
Updated FY 2012-13 Budget - May Revision	\$535,751,000	\$1,664,000	\$537,415,000
Caseload and Expenditure Update	\$17,903,000	\$81,000	\$17,984,000
Sunset of 1.25% Payment Reduction	\$6,660,000		\$6,660,000
Updated FY 2012-13 Budget	\$560,314,000	\$1,745,000	\$562,059,000

Department of Developmental Services (DDS) Overview

Assembly Budget Sub 1 Committee

April 17, 2013

Terri Delgadillo, Director

Mark Hutchinson, Chief Deputy Director



Department of Developmental Services

The Department of Developmental Services (DDS) provides services and supports to individuals with developmental disabilities living in the community or in state-operated facilities.

- DDS contracts with 21 nonprofit regional centers to provide services to nearly 260,000 individuals living in the community. The regional centers assess eligibility for services and help plan, access, coordinate and monitor the services and supports for eligible individuals.
- DDS operates four large Developmental Centers and one smaller Community Facility where approximately 1,500 individuals reside.

DDS Budget

- 2012-13 (CY) estimated budget is \$4.7 billion (\$2.6 billion GF)
- 2013-14 (BY) estimated budget is \$4.9 billion (\$2.8 billion GF)

Prior to 2009-10, the DDS budget was outpacing caseload growth by more than 3 to 1. During the last four years the DDS budget has remained relatively flat while caseload has continued to increase. Reductions were primarily made through the adoption of over 50 different cost savings measures totaling over \$1.0 billion in General Fund (GF) savings.

DDS utilized a stakeholder process to inform the Department in the development of reduction proposals over the last four years. Stakeholders included consumers, family members, providers, regional centers, and advocates. Although the design of the stakeholder process changed each year, the general tenets remained unchanged:

- Preserve the Lanterman Act entitlement to services;
- Minimize the direct impact on consumers; and
- Spread the reductions across the entire system and service types.

Major Budget Reductions and Cost Savings Measures include:

- Increased federal funding;
- Developmental Center reductions;
- Increased oversight, accountability and transparency;
- Changes in eligibility;
- Service changes;
- Rate changes and payment reductions;
- Increased parental responsibility; and
- Reduced funding for DDS and regional center operations.

DDS Major Budget Reduction and Cost Savings Measures

2009-10 - \$517.0 million (\$460.1 million GF) savings:

- **Increased Federal Funds**
 - 1915(i) State Plan Amendment (SPA) submitted that allows for federal participation on services to Medi-Cal recipients not eligible under the DDS Home and Community Based Services (HCBS) Waiver
 - Services were added to the existing HCBS Waiver
 - Obtained federal funding for day treatment and transportation services for residents of Intermediate Care Facilities for individuals with Developmental Disabilities (ICF-DD) and Skilled Nursing Facilities (SNF)
 - Limited use of Community Care Facilities over 16 beds not eligible for federal funding

- **Developmental Center Reductions**
 - Closure of the State Operated Community Facility (Sierra Vista)
 - Developed transition program for individuals in the Porterville Secure Treatment Program that allowed for federal funding for previously 100% GF services and capped the population served in the secure program
 - Staffing reductions related to change in resident population and state-wide employee compensation changes, including furloughs
 - Delayed Capital Outlay projects

- **Oversight and Accountability**
 - Quality assurance efforts were streamlined and consolidated

- **Eligibility and Service Changes**
 - Changed eligibility criteria for the Early Start program (children ages 0-2) and created a Prevention Program for these children with a lesser array of services
 - Implemented new guidelines that limited services to those clinically or scientifically proven to be effective and safe; further restricted services if available through a generic resources; required evaluation of least costly service option and implemented an annual reporting of services to consumers or parents
 - Service changes included adoption of a uniform holiday schedule, use of neighborhood preschools, group training for parents, restructured respite services, and suspended camping and social recreational services

- **Provider Payment Reduction**
 - 3% provider payment reduction for services

- **Reduced Regional Center Operations Funding**

- 3% reduction in regional center operations funding
- Various one-time and ongoing reductions
- **Increased Parental Responsibility**
 - Fee increase in the Parental Fee Program required for children placed out of the family home
- **Increased Federal Funds**
 - Money Follows the Person funds for individuals transitioning out of institutional settings
 - Increased federal funding available for day treatment and transportation services for residents of ICF-DDs and SNFs
- **Developmental Center Reductions**
 - Staffing reductions related to change in resident population and state-wide employee compensation changes, including furloughs
 - Initiated closure of Lanterman Developmental Center
- **Provider Payment Reduction**
 - Provider payment reduction increased from 3% to 4.25%
- **Reduced Regional Center Operations Funding**
 - Regional Center Operations reduction increased from 3% to 4.25%
 - Ongoing workload reduction
- **Increased Federal Funds**
 - Expanded revenue from various federal funding sources, including added services to the HCBS Waiver and 1915(i) SPA and additional Money Follows the Person funding
- **Developmental Center Reductions**
 - Porterville Secure Treatment Program population cap was reduced
 - Reduced operating expenses and equipment purchases
 - Delayed Capital Outlay projects
 - Staffing reductions related to change in resident population and state-wide employee compensation changes, including furloughs

- **Oversight and Accountability**

- Established 15% cap on administrative costs for services purchased using negotiated rates
- Increased audit requirements for regional centers and providers
- Increased third party accountability
- Additional conflict of interest requirements for regional centers
- Accountability and transparency requirements for regional centers

- **Service Changes**

- Reduction in Community Placement Plan funding to align with historical expenditure levels
- Maximize generic resources available through education services
- Changes in supported living, behavioral, day treatment and transportation services
- Transfer the Prevention Program to the Family Resource Centers at a reduced amount

- **Provider Payment Reduction**

- Provider payment reductions remained at 4.25%
 - **Reduced Regional Center Operations Funding**
- Regional center operations reductions remained at 4.25%
- Various ongoing reductions

- **Increased Parental Responsibility**

- Implemented Annual Family Program Fee (\$150 to \$200) for families not on Medi-Cal and over 400% of the Federal Poverty Level

2012-13 - \$240.4 million (\$257.0 million GF) savings:

- **Increased Federal Funds**

- Aggressive enrollment of individuals covered under the HCBS Waiver

- **Developmental Center Reductions**

- Established a Moratorium on admissions to the Developmental Centers, with limited exceptions
- Expanded transition program for individuals in the Porterville Secure Treatment Program that allowed for federal funding for previously 100% GF services
- Required assessments of all Developmental Center residents to ensure appropriate least restrictive environment
- Staffing reductions related to change in resident population and state-wide employee compensation changes, including furloughs

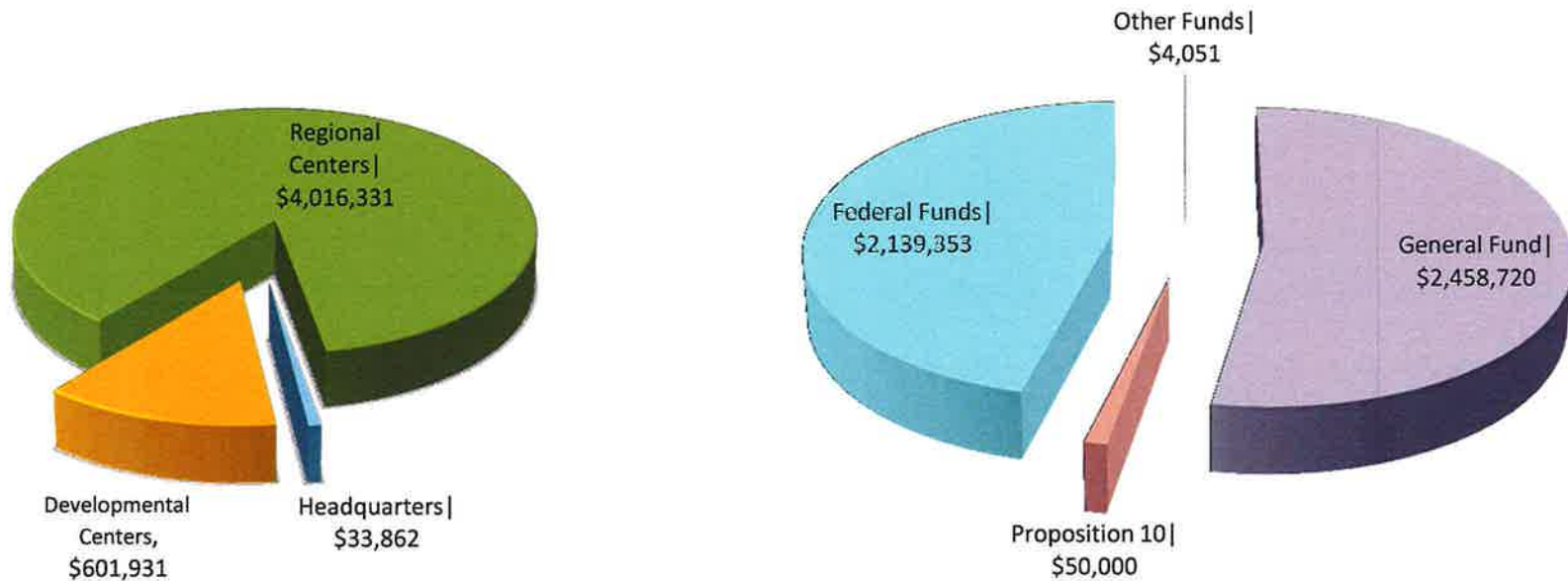
- **Service changes**
 - Redesign services for individuals with challenging service needs
 - Redesign Supported Living Service assessments
 - Increased reliance on insurance coverage for behavioral service (SB 946) and other insurance coverage from Healthy Families and CalPERS providers

- **Provider Payment and Regional Center Operations Reduction**
 - Provider payment reduction decreased from 4.25% to 1.25%

- **Reduced Regional Center Operations Funding**
 - Regional center operations reduction decreased from 4.25% to 1.25%

**Department of Developmental Services
Fiscal Year 2009-10
Budget by Fund Source
(\$ in Thousands)**

Total Funds \$4,652,124



Footnotes:

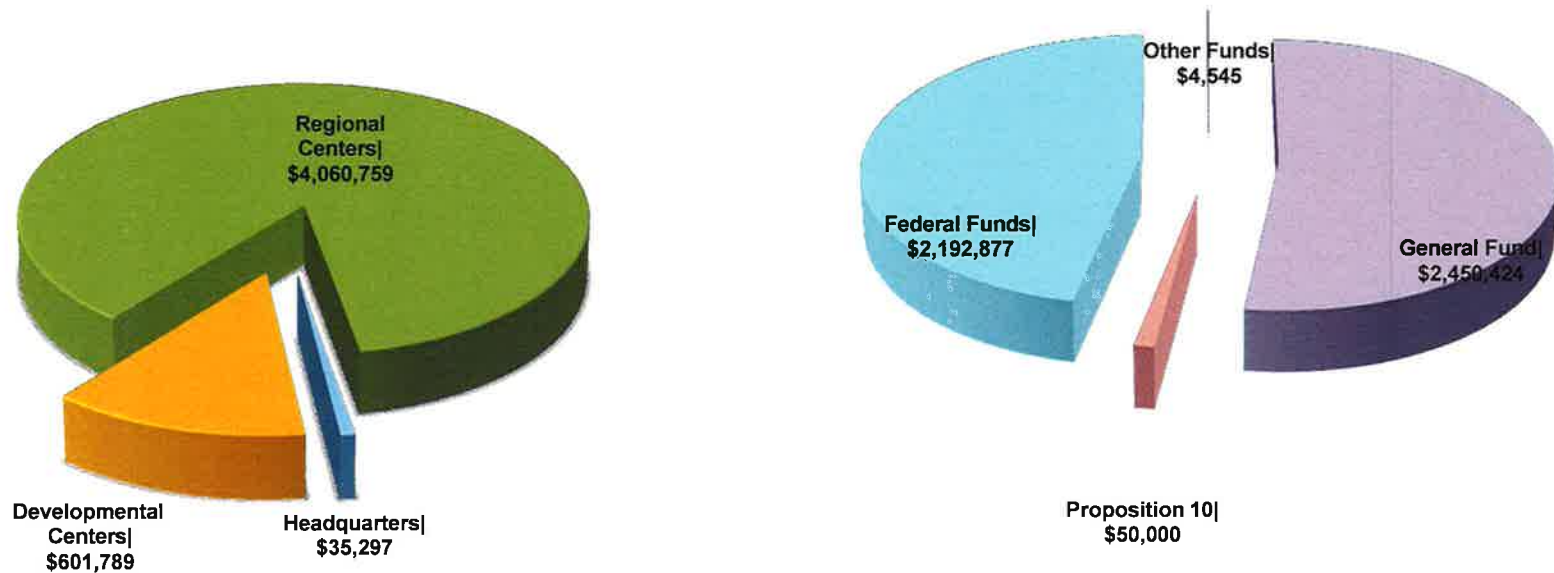
1. Other Funds include: Program Development Fund / Parental Fees, Developmental Disabilities Services Account, Mental Health Services Fund, and Lottery.
2. Federal funds include ARRA increase in FMAP of 11.59 percent and an increase in the Early Start grant of \$32.9 million across fiscal years 2009-10 and 2010-11.

Department of Developmental Services

Fiscal Year 2010-11

Budget by Fund Source
(\$ in Thousands)

Total Funds \$4,697,845

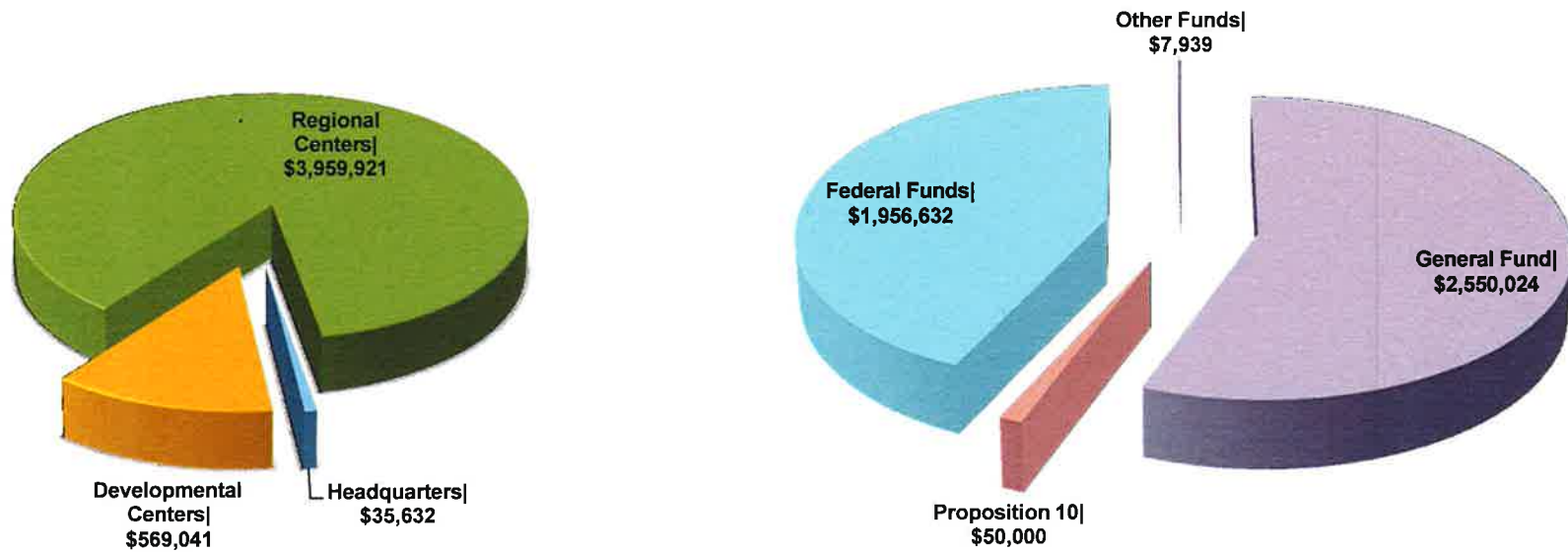


Footnotes:

1. Other Funds include: Program Development Fund / Parental Fees, Developmental Disabilities Services Account, Mental Health Services Fund, and Lottery.
2. Federal funds include ARRA increase in FMAP of 11.59 percent that phased to 6.59 percent later in the year and an increase in the Early Start grant of \$32.9 million across fiscal years 2009-10 and 2010-11.
3. Increase in Headquarters and Developmental Center budgets due to end of the initial furlough program.

**Department of Developmental Services
Fiscal Year 2011-12
Budget by Fund Source
(\$ in Thousands)**

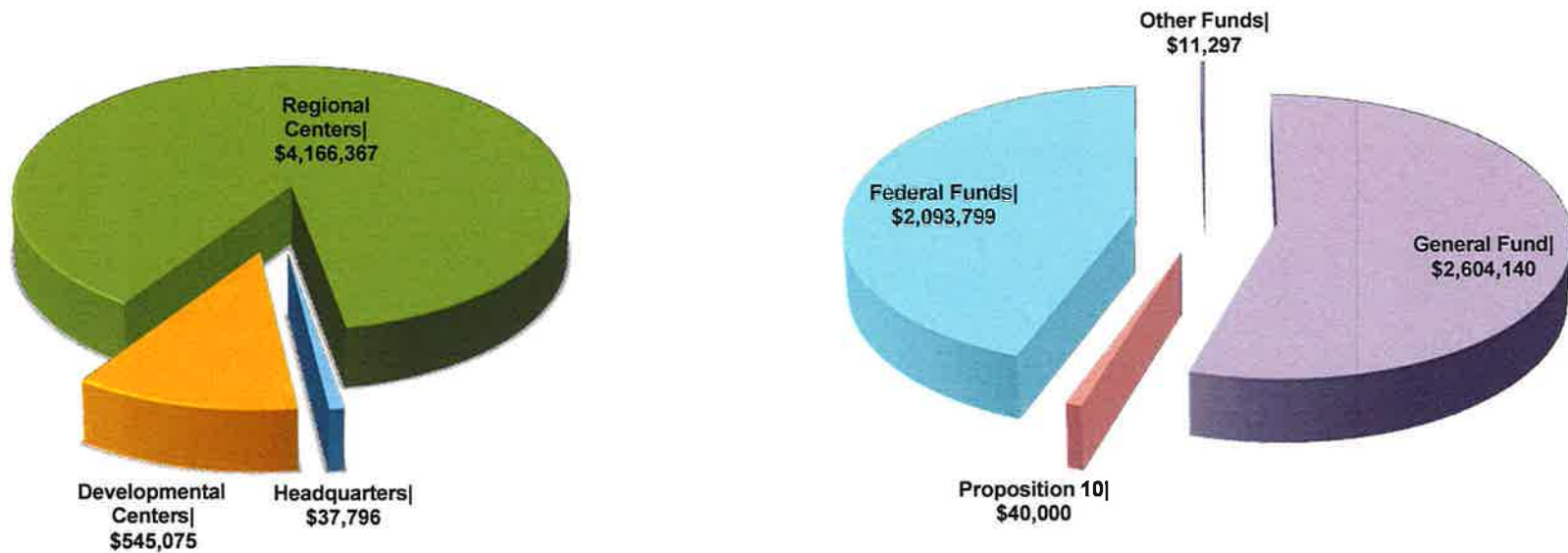
Total Funds \$4,564,594



Footnotes:

1. Other Funds include: Program Development Fund / Parental Fees, Developmental Disabilities Services Account, Mental Health Services Fund, and Lottery.
2. 2011-12 was the first year without ARRA funding.

Department of Developmental Services
Fiscal Year 2012-13
Budget by Fund Source
(\$ in Thousands)
Total Funds \$4,749,238

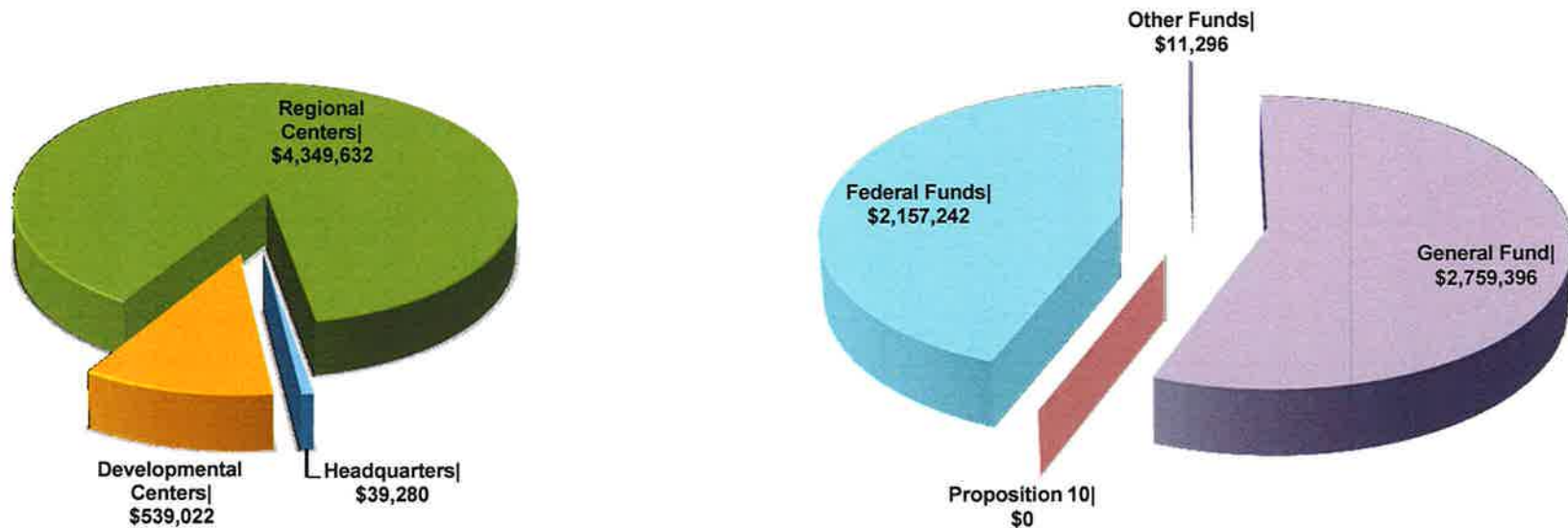


Footnotes:

1. Other Funds include: Program Development Fund / Parental Fees, Developmental Disabilities Services Account, Mental Health Services Fund, and Lottery.

**Department of Developmental Services
Fiscal Year 2013-14
Budget by Fund Source
(\$ in Thousands)**

Total Funds \$4,927,934



Footnotes:

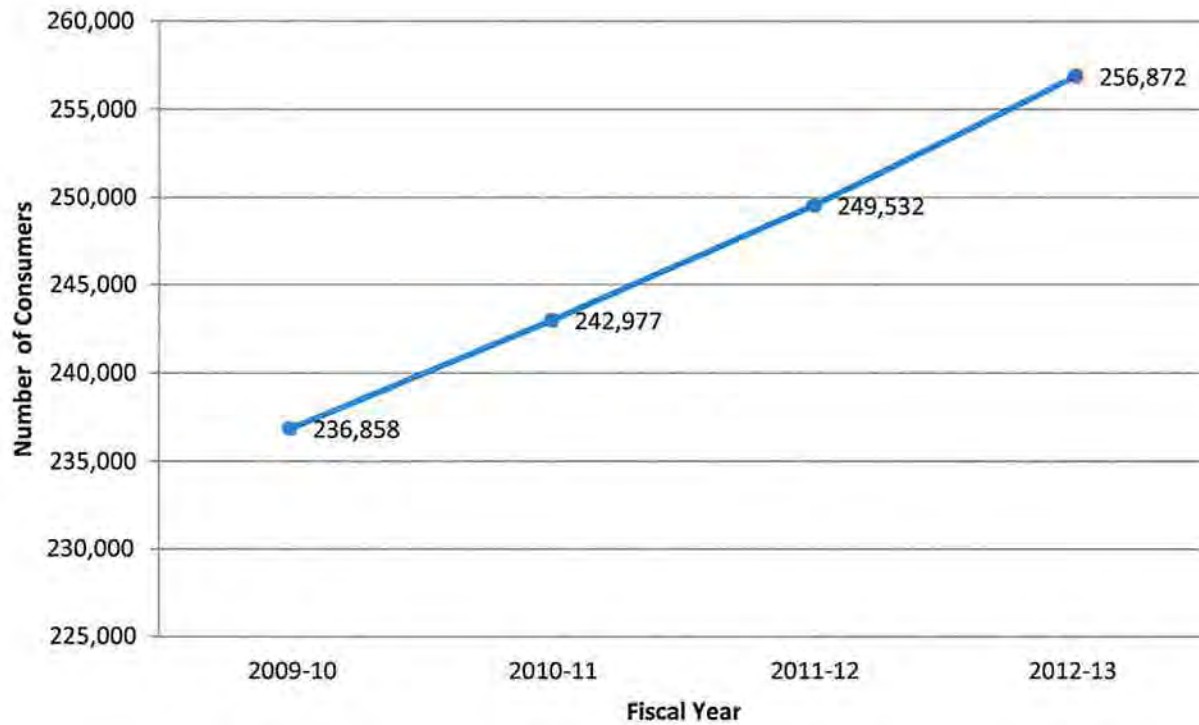
1. Other Funds include: Program Development Fund / Parental Fees, Developmental Disabilities Services Account, Mental Health Services Fund, and Lottery.
2. 2013-14 was the first year without Proposition 10 funding.

Department of Developmental Services

Fiscal Year 2009-10 through 2012-13

Caseload

Regional Centers



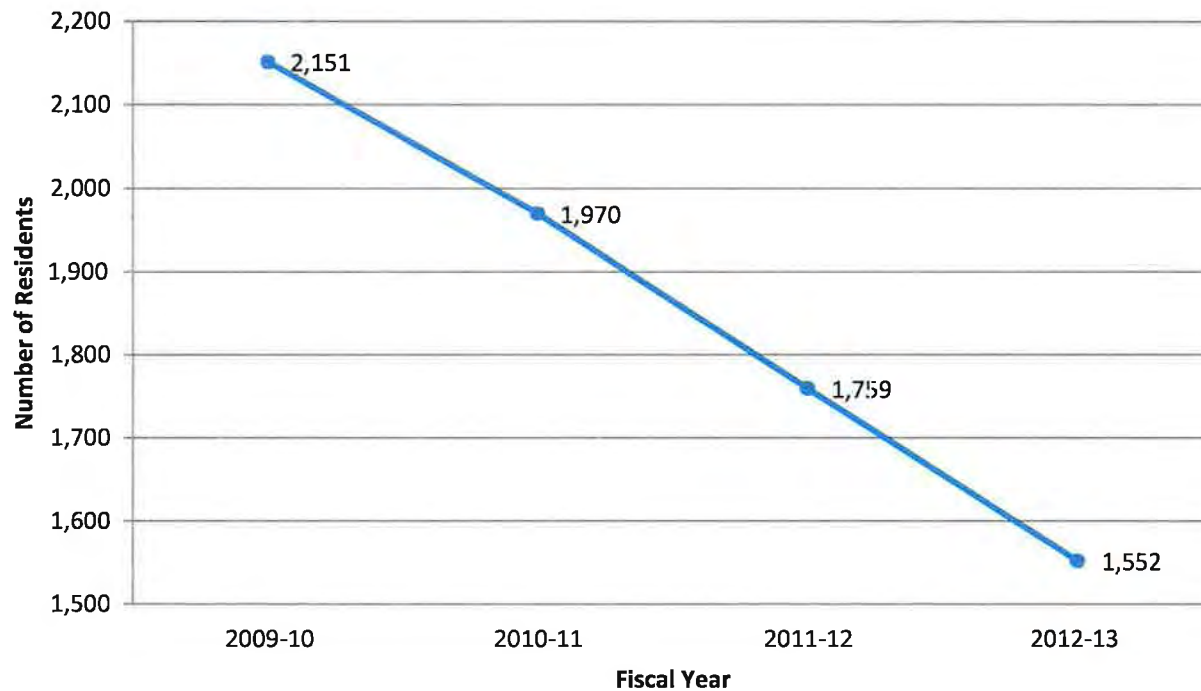
The Regional Center community caseload continues to increase and in 2010-11 grew by 2.60 percent over 2009-10. In 2011-12 growth was 2.70 percent over 2010-11, and for 2012-13, 2.90 percent.

Department of Developmental Services

Fiscal Year 2009-10 through 2012-13

Caseload

Developmental Centers



The number of residents in the Developmental Centers (DCs) are continuing to decline consistent with the ongoing transition of individuals residing in a DC into community living arrangements. In 2008/09 the last consumer moved out of Agnews DC. In 2009-10 Sierra Vista was closed. In January 2010 the Department announced its intent to also close Lanterman DC. The budget continues to support development of community options for DC resident to transition into the community.

Lorna Owens - Re: CDCAN REPORT #054-2013 (JUN 04 2013): Budget Conference Committee Wrestles With Setting Priorities That Will Determine Which Programs/Services To Restore Funding As Budget Process Nears Final State - Meets Again Today at 10:0 AM

From: "Marty Omoto - CDCAN (California Disability Community Action Network)" <martyomoto@rcip.com>
To: <CDCANreportlist01@rcip.com>
Date: 6/4/2013 9:11 AM
Subject: Re: CDCAN REPORT #054-2013 (JUN 04 2013): Budget Conference Committee Wrestles With Setting Priorities That Will Determine Which Programs/Services To Restore Funding As Budget Process Nears Final State - Meets Again Today at 10:0 AM



CDCAN DISABILITY RIGHTS REPORT **CALIFORNIA DISABILITY COMMUNITY ACTION NETWORK** **#054-2013 – June 04, 2013 – Tuesday**

Advocacy Without Borders: One Community – Accountability With Action

CDCAN Reports go out to over 65,000 people with disabilities, mental health needs, seniors, people with traumatic brain and other injuries, people with MS, Alzheimer's and other disorders, veterans with disabilities and mental health needs, families, workers, community organizations, facilities and advocacy groups including those in the Asian/Pacific Islander, Latino, American Indian, Indian, African-American communities; policymakers, and others across the State.

Sign up for these free reports by going to the CDCAN website. Website: www.cdcan.us

To reply to THIS Report write:

Marty Omoto at martyomoto@rcip.com Twitter: [martyomoto](https://twitter.com/martyomoto) New Phone: 916-757-5949

SPECIAL NOTE ON CHANGES FOR CDCAN REPORTS – HELP NEEDED:

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- *HELP NEEDED: It will cost more every month, so any support would be greatly (and urgently) needed and appreciated. Please help! (see below)*
- *I want to pay special tribute to River City Internet Providers (RCIP) and the staff there for their tremendous support they have given over the past 15 years to CDCAN and the work of advocacy for people with disabilities, mental health needs, the blind and seniors. Without them I could not have been able to provide the reports I was able to do over the years. – Marty Omoto martyomoto@rcip.com*

California State Budget:

BUDGET CONFERENCE COMMITTEE MEMBERS WRESTLE WITH SETTING PRIORITIES OF WHICH SERVICES AND PROGRAMS TO RESTORE AS BUDGET PROCESS NEARS FINAL STAGE

- **Brown Administration Vows To Hold The Line On New Spending**
- **Budget Conference Committee Holds Second Hearing Today Making First Pass At Health & Human Services and Parts of Judiciary Budget Items – Keep Most Items "Open" For Later Action**
- **Conference Committee Will Reconvene at 10 AM This Morning – Could Also Hold Afternoon and Morning Hearings**
- **Committee Will Finish Up Today With 52 Page Agenda Covering Judiciary, Corrections, State Administration and General Government Budget Items – Then Tackle 78 Page Education Agenda**

SACRAMENTO, CA (CDCAN) [Last updated 06/04/2013 06:38 AM] – While not confronted with yet another budget shortfall, the 8 member Budget Conference Committee wrestled yesterday afternoon with the daunting task of balancing limited revenues against establishing a priority list that will determine which of the many proposals that call for permanent restoration of funding to various programs and services – including major health and human services - will move forward and be included in the Legislature's version of the 2013-2014 State Budget.

Those pending decisions confronting the Budget Conference Committee, chaired by Sen. Mark Leno (Democrat – San Francisco), when made probably by Friday this week, only sets the stage for the final part of the long State budget process that will likely pit Legislative Democrats – and even some Republicans – who want some restorations of certain programs and services – against the position of a Democratic Governor who is adamant about holding the line on new permanent on-

going spending, citing uncertain revenues and a still shaky economic recovery.

While the exchange during the Monday hearing between Budget Conference Committee members and the Brown Administration representatives was always cordial and polite, there were clear warning signs from Legislative Democrats – and even some Republicans – that they intended to break with the Governor on some proposals to restore funding. [See CDCAN Report later today for more details on the Monday Budget Conference Committee dealing with health and human services – and the details of the exchanges between committee members and the Brown Administration regarding proposed restorations of various program and service funding).

WHAT THE CONFERENCE COMMITTEE DID MONDAY

- The Budget Conference Committee convened Monday afternoon (June 3rd) just after 1:15 PM taking a one hour break and then adjourned at 05:32 PM. As previously reported, the Budget Conference Committee divided up its work into four agendas covering different major budget areas.
- The committee finished up its work on the Resources and Transportation Agenda that it started on last Friday, then made a complete first pass through of the 28 page Health and Human Services Agenda, and the first seven pages of the 52 page agenda covering Judiciary, Corrections, State Administration and General Government budget items.
- As is normal at during the first meetings of this committee, the Budget Conference Committee kept all of the major items “open” for later action this week or early next week to resolve.
- Budget Conference Committees normally only take up budget items and issues where the Assembly and State Senate took different actions. Budget issues and items where both houses took identical actions are not part of the conference committee to be resolved because those items are considered part of the Legislature’s version of the 2013-2014 State Budget – with the actions taken by the Budget Conference Committee added to that version. The entire package will then be referred to the Assembly and State Senate floors for a round of final votes that will begin likely later next week, before sending a budget plan to the Governor for approval.
- No action however is final until a budget is passed and signed into law by the Governor. .

NUMBER OF COMPETING PROPOSALS FROM ASSEMBLY & SENATE DEMOCRATS CALL FOR RESTORING SEVERAL CUTS

Several competing proposals on the Budget Conference Committee’s health and human services agenda called for restoring funding to several programs and services, including:

- Restoring eligibility to Early Start to what it was before the 2009 cuts;
- Restoring Medi-Cal adult dental benefits that was eliminated in 2009;
- Adding Applied Behavioral Analysis services to Medi-Cal managed care plans for children not eligible for regional center services;
- Restoring Medi-Cal enteral nutrition benefits to what it was before the 2011 cuts;
- Restoring the cost of living adjustment for the state portion of the SSI/SSP (Supplemental Security Income/State Supplemental Payment) grants beginning in the 2014-2015 State Budget year;
- Rescinding the rate freeze for distinct part skilled nursing facilities; restoration of the maximum CalWORKS grants beginning with 12% increase January 1, 2014;
- Increase spending to cover former foster youth up to age 26 with Medi-Cal until January 1, 2014 (when the federal health care reform act will require the states to provide Medicaid services to former foster youth up to age 26)
- Major increases toward building capacity for mental health community-based treatment services.
- Legislative Democrats – and some Republicans have other competing restorations of spending that the Assembly or Senate have proposed in other budget areas that also have major impact to people with disabilities, mental health needs, the blind, seniors and low income families including funding for homelessness and other housing services under the Department of Housing and Community Development; major increase to help restore some of the funding cut from the State court system; and restoration of funding for disabled student services in the community college system.
- The Budget Conference Committee kept all health and human services proposals – the judiciary and housing budget issues it heard yesterday “open” for later action this week – though the Brown Administration indicated it was opposed to those spending increases because it would add new on-going permanent costs to the State during a time of limited revenues and an uncertain State economic recovery. The committee will hear education issues later today (June 4th) and will likely keep the major issues “open” for later action.
- Meanwhile legislative Democrats in both houses are moving various policy bills outside of the normal budget process that, if enacted, could have varying impacts on the 2013-2014 State Budget including rescinding the 10% Medi-Cal provider rate cut for distinct part nursing facilities (passed 75 to 0 by the Assembly); a separate urgency bill currently pending in the Senate Appropriations Committee that would rescind the 10% cut for all Medi-Cal providers; changes in policy regarding education finance; changes proposed impacting domestic and private homecare workers and childcare providers.
- In addition, disability advocates are raising concerns on several issues not in the Budget Conference Committee

(because both houses took identical actions on those issues) including the Brown Administration's proposal that would prohibit regional centers from paying any health insurance deductible for services needed by children with autism spectrum and related disorders. The same proposal, approved by the Assembly and Senate budget subcommittees, would set policies that allow regional centers to reimburse co-payments/co-insurance for those services, which some advocates say places new restrictions that undermine the intent of SB 946 by Senate President Pro Tem Darrell Steinberg's 2011 bill that requires private insurance and health plans to provide Applied Behavioral Analysis (ABA) services. Advocates contend the issue of prohibiting payment of deductibles is a major one for families who cannot afford the cost and as a result cannot get the needed health insurance services for their children.

- Another issue, currently not before the Budget Conference Committee because no proposal has yet been released by the Brown Administration is how the State will respond if pending US Department of Labor proposed regulations are approved that will trigger overtime requirements for In-Home Supportive Services (IHSS) workers and other in-home and homecare workers. The Brown Administration last month indicated it would proposed budget trailer bill language that would in essence limit the number of hours an individual provider could work so the overtime requirement would – assuming the federal regulations are approved – would not be triggered. No proposed language however has yet been released.

WHAT HAPPENS NEXT

- The Budget Conference Committee will reconvene for its third meeting on Tuesday morning (June 4th) at 10:00 AM at the State Capitol in Room 4203 finishing up on the 52 page Judiciary, Corrections, State Administration and General Government Conference Agenda. Sen. Leno indicated at the beginning of today's hearing that the Budget Conference Committee would likely meet at three different times on June 4th – in the morning, afternoon and evening though he was not specific on which agendas would be covered during those times, other than in the morning session.
- Leno did say last week that the Budget Conference Committee will take up the 74 page Education Agenda, presumably tomorrow afternoon or evening.
- It appears that the Budget Conference Committee could be setting the target of completing its work on Friday or during the weekend, and sending its recommendations to the Assembly and Senate floors for a vote on the package later next week.

COPIES OF BUDGET CONFERENCE COMMITTEE AGENDAS

CDCAN sent out earlier a copy of the 28 page Health and Human Services Agenda for the Budget Conference Committee. Here are the links for that agenda and the other agendas:

Resources and Transportation Budget Conference Committee Agenda (27 pages) [Budget Conference Committee made its first review of this agenda on May 31st (Friday) and June 3rd (Monday):

<http://sbud.senate.ca.gov/sites/sbud.senate.ca.gov/files/conference/2013NewResourcesTransportationConferenceAgenda.pdf>

Health and Human Services Budget Conference Committee Agenda (28 pages) [Budget Conference Committee made its first review of this agenda on June 3rd (Monday) keeping all major items "open"]:

<http://sbud.senate.ca.gov/sites/sbud.senate.ca.gov/files/conference/2013HealthHumanServicesConferenceAgenda.pdf>

Judiciary, Corrections, State Administration and General Government Budget Conference Committee Agenda (52 pages) [Budget Conference Committee made its first review of the first 7 pages of this agenda on June 3rd (Monday) keep those items "open" and will review the remaining pages today (June 4th):

<http://sbud.senate.ca.gov/sites/sbud.senate.ca.gov/files/conference/2013StateAdminGenGovPubSftyCDCRCONFagenda.pdf>

Education Budget Conference Committee Agenda (78 pages) [Budget Conference Committee has not yet reviewed this agenda and could do so as early as later today or this evening (June 3rd):

<http://sbud.senate.ca.gov/sites/sbud.senate.ca.gov/files/conference/2013EducationConferenceCommitteeAgenda.pdf>

BUDGET CONFERENCE COMMITTEE MEMBERS

The 2013 Budget Conference Committee members are:

- Total members: 8 (3 Senate Democrats, 3 Assembly Democrats and 1 Senate Republican and 1 Assembly Republican)
- 2013 Budget Conference Committee Chair: *Sen. Mark Leno (Democrat – San Francisco)*
- 2013 Budget Conference Committee Vice Chair: *Assemblymember Bob Blumenfield (Democrat – Van Nuys)*
- Senate Democrats (3): *Sen. Mark Leno (chair, Senate Budget and Fiscal Review Committee); Sen. Kevin De Leon (chair, Senate Appropriations Committee); and Sen. Loni Hancock (chair, of the Senate Budget Subcommittee #5 on Corrections, Public Safety and the Judiciary).*
- Senate Republican (1): *Sen. Bill Emmerson (vice chair, Senate Budget and Fiscal Review Committee)*
- Assembly Democrats (3): *Assemblymember Bob Blumenfield (chair, Assembly Budget Committee); Assemblymember Holly Mitchell (chair, Assembly Budget Subcommittee #1 on Health and Human Services); and Assemblymember Nancy Skinner (chair, Assembly Rules Committee)*
- Assembly Republican (1): *Assemblymember Jeff Gorell (vice chair, Assembly Budget Committee)*

- People can send written comments to the Budget Conference Committee members by send letter addressed to the member (with their title) with the same address: Name of person with title, State Capitol, Sacramento, CA 95814. Letters to the Governor would go to the same address.

HOW CAN I MONITOR THE LEGISLATIVE BUDGET AND POLICY COMMITTEE OR SUBCOMMITTEE HEARINGS IF I CANNOT ATTEND?

People can monitor most legislative hearings in several ways including live audio, and live internet streaming. Nearly all hearings – even those not televised live – can be watched later (at least by the next day) in the video archive. See below for information.

- **LIVE VIDEO STREAM – INTERNET** - Most of the scheduled hearings can be viewed live on the CalChannel website at <http://www.calchannel.com/live-webcast/> The page will say “LIVE Webcast California Legislative Hearings” Below that heading, look for the floor session, committee or subcommittee you wish to monitor and the scheduled time of the hearing or floor session and at that time. When the hearing or floor session starts, the posted date and time will be changed to “In Progress – View Event” Click on that, and a box should open up with the live stream.
- **LIVE CABLE TV BROADCAST** - People can also view the hearing via cable TV through CalChannel. To find what channel it may be on (if you cable company carries CalChannel) check this listing for your city or area and local cable company: <http://www.calchannel.com/local-listing/>
- **LIVE AUDIO ONLY INTERNET BROADCAST AND LIVE VIDEO STREAM** – Look for the hearing you want to listen to below, find the room number, and then click on the Assembly website link: <http://assembly.ca.gov/listentorooms> and then click on the room number (or chamber) where the hearing or floor session is located. The audio quality varies depending on the room and who is speaking. (It doesn’t matter if the floor session or hearing is an Assembly or Senate floor session or hearing – you can access either through this site). The live video stream also available on this page is different from the CalChannel video stream, with the video camera in a fixed position and the quality not as good.

PLEASE HELP!!!!!!

June 04, 2013

**PLEASE HELP CDCAN CONTINUE ITS WORK
WE MAY NOT BE ABLE TO CONTINUE!!!**



CDCAN Townhall Telemeetings, CDCAN Reports and Alerts and other activities cannot continue without YOUR help. To continue the CDCAN website and the CDCAN Reports and Alerts sent out and read by over 65,000 people and organizations, policy makers and media across the State, and to continue and resume CDCAN Townhall Telemeetings, trainings and other events, please send your contribution/donation (please make check payable to "CDCAN" or "California Disability Community Action Network" and mail to:

CDCAN – NEW MAILING ADDRESS:
1500 West El Camino Avenue Suite 499
Sacramento, CA 95833

[replaces 1225 8th Street Suite 480, Sacramento, CA 95814]
NEW Phone: 916-757-9549 (replaces 916-212-0237)

Many, many thanks to all the organizations and individuals for their continued support that make these reports and other CDCAN efforts possible!

Lorna Owens - Re: CDCAN REPORT #051-2013 (MAY 30 2013): Governor Brown Signs SB 67 IHSS Court Settlement Bill - Makes Official Temporary 8% Across-The-Board Cut For All IHSS Recipients Beginning July 1 - Followed by 7% Cut in 2014

From: "Marty Omoto - CDCAN (California Disability Community Action Network)"
<martyomoto@rcip.com>
To: <CDCANreportlist01@rcip.com>
Date: 5/30/2013 5:46 PM
Subject: Re: CDCAN REPORT #051-2013 (MAY 30 2013): Governor Brown Signs SB 67 IHSS Court Settlement Bill - Makes Official Temporary 8% Across-The-Board Cut For All IHSS Recipients Beginning July 1 - Followed by 7% Cut in 2014



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Sign up for these free reports by going to the CDCAN website. Website: www.cdcan.us

To reply to THIS report write:

Marty Omoto at martyomoto@rcip.com Twitter: martyomoto New Phone: 916-757-5949

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martyomoto@rcip.com

California State Budget:

**GOVERNOR BROWN SIGNS SB 67 IHSS COURT SETTLEMENT BILL –
MAKES OFFICIAL TEMPORARY 8% ACROSS-THE-BOARD CUT IN HOURS
FOR ALL IHSS RECIPIENTS BEGINNING JULY 1st FOLLOWED BY 7% CUT
NEXT YEAR**

- **Also Signs SB 68 That Makes Adjustments to Current Budget**
- **Budget Conference Committee Scheduled To Meet Friday at 1 PM Though Not Likely To Take Up Health and Human Services Budget Agenda Items**

- **Assembly Adjourns Floor Session Today At 5:20 PM – Will Reconvene Friday At 9 AM To 5 PM To Finish Up Work on Remaining Bills To Meet May 31st Deadline To Pass Assembly Bills**
- **Senate Adjourned At 1:30 PM And Completed Work On All Senate Bills – Reconvenes 12 Noon on Monday**

SACRAMENTO, CA (CDCAN) [Last updated 05/30/2013 05:30 PM] – Governor Jerry Brown, as expected, signed today SB 67 which contains provisions to implement the In-Home Supportive Services (IHSS) court settlement agreement that includes a temporary 8% across-the-board cut in hours for all IHSS recipients beginning July 1, 2013, followed by a smaller 7% cut beginning July 1, 2014.

The legislation includes the other provisions of the settlement that repeals permanent cuts enacted – though never implemented due to federal district court orders – in 2009 and 2011 to the IHSS program that included a 20% reduction to most IHSS recipients, a rollback in the State’s contribution toward IHSS worker wages, and a major cut to IHSS recipients based on their rankings and scores in a county internal assessment tool.

The Governor also signed SB 68, which makes adjustments, including additional appropriations, to the current 2012-2013 State Budget. The adjustments includes additional funding to cover lost federal funds this year budget year for Sonoma Developmental Center in Sonoma County.

TEMPORARY CUT BEGINS JULY 1, 2013 FOR ALL IHSS RECIPIENTS

- As previously reported, under the federal court settlement agreement as implemented by SB 67, over 440,000 children and adults with disabilities (including developmental), the blind and seniors who are IHSS recipients would see a 8% across-the-board cut in their service hours beginning July 1, 2013 through June 30, 2014. That cut would fall to 7% on July 1, 2014 and end on June 30, 2015. IHSS recipients who have “documented unmet need” hours can have the 8% reduction (and the later 7% cut) taken first from those hours.
- However some portion of that 7% cut could remain indefinitely if the Governor’s Department of Finance, under the settlement agreement and SB 67, determines that the State will not receive sufficient new federal funding for the IHSS program to cover restoring funding to off-set the temporary reduction.
- The temporary reductions would replace an existing 3.6% across-the-board cut in hours to all IHSS recipients that was originally authorized as part of the 2010-2011 State Budget, and is scheduled to end on June 30, 2013.
- The Brown Administration estimates that the 8% across-the-board reduction would mean a cut to the IHSS program budget – and a savings to the State of about \$160 million in State general funds during the 2013-2014 State Budget year that begins July 1st.
- The Administration estimates that the 7% cut would result in a cut to the IHSS program (or savings to the State) of about \$159 million in State general funds during the 2014-2015 State Budget year. Neither amount includes lost federal matching funds.
- SB 67, as part of the court settlement, also repeals previously enacted permanent cuts to the IHSS program made in 2009 and 2011, including a 20% reduction in hours to many IHSS recipients, cuts in the State’s contribution toward IHSS worker wages and major cuts to IHSS recipients based on their functional index scores and rankings (an assessment tool used by county social workers). None of those permanent cuts were implemented due to federal court orders that had remained in place up until the settlement was approved.

WHO IS IMPACTED BY TEMPORARY ACROSS-THE-BOARD IHSS CUTS?

- **IHSS RECIPIENTS:** All IHSS recipients – over 440,000 children and adults with disabilities

(including developmental served by regional centers), the blind and seniors – are impacted, as they were with the existing 3.6% reduction. No exemptions.

- **IHSS WORKERS:** The across-the-board reductions also would impact the over 360,000 IHSS workers who provide individual supports and services to IHSS recipients, who would see a reduction in their pay that corresponds with the reduction in lost hours linked to the temporary across-the-board cut for the IHSS recipient.
- **CUT APPLIED TO MOST RECENT ASSESSMENT:** The temporary across-the-board 8% cut (July 1, 2013 through June 30, 2014) and 7% cut (July 1, 2014 through June 30, 2015), under the court settlement agreement and as authorized in SB 67, would be applied to the IHSS recipient's hours as authorized in their most recent assessment. IHSS recipients may direct the manner in which the reduction of hours is applied to previously authorized services.
- **DOCUMENTED "UNMET NEED":** Under the court settlement and as authorized in SB 67, if a IHSS recipient has documented "unmet need" hours – meaning certain specific needs as documented by the county that exceed the maximum 283 hours per month that a IHSS recipient can have - then the across-the-board reduction will be taken first from those hours. Persons not certain if they have documented "unmet needs" should contact their county IHSS social worker.
- **NOTICE OF ACTION FROM STATE TO IHSS RECIPIENTS:** Under the court settlement agreement and as required by SB 67, the Department of Social Services would be required to send out notices of action informing IHSS recipients of the 8% at least 10 days prior to the reduction taking effect and include specified information such as appeal rights and right to request a reassessment.
- **IHSS RECIPIENT REASSESSMENTS:** Under the court settlement – and as authorized in SB 67, if a IHSS recipient requests a reassessment based only on the 8% or 7% reductions, that request can be administratively denied. However SB 67 underscores the existing rights of IHSS recipient to request a reassessment when there are changes in circumstances and the responsibilities of counties to respond to such requests.

LINKS TO SB 67 AS AMENDED AND PASSED BY THE LEGISLATURE

- SB 67 - PDF Copy of SB 67 As Passed By Legislature and Sent to Governor (32 Pages):
http://www.leginfo.ca.gov/pub/13-14/bill/sen/sb_0051-0100/sb_67_bill_20130524_enrolled.pdf
- SB 67 - HTML Copy of SB 67 As Passed by Legislature and Sent to Governor:
http://www.leginfo.ca.gov/pub/13-14/bill/sen/sb_0051-0100/sb_67_bill_20130524_enrolled.htm

NEXT STEPS FOR IHSS COURT SETTLEMENT IMPLEMENTATION

- **GOVERNOR:** Governor signed SB 67 today (May 30, 2013) as expected. The bill took effect immediately upon his signature (and the filing of the signed bill with the California Secretary of State)
- **FEDERAL DISTRICT COURT:** Federal District Court Judge Claudia Wilken gave final approval of the preliminary court settlement agreement (which SB 67 would implement) last week at a hearing, and noted that some IHSS recipients filed objections. Approval by the court – which was expected - followed the time period allowed for anyone directly impacted by the settlement to file an objection to the agreement. The deadline to file objections was May 3rd.
- **DEPARTMENT OF SOCIAL SERVICES:** the state agency that oversees the IHSS program statewide sent out on May 10th a draft notice – called an "All County Letter" – that will go to all county welfare directors and IHSS program managers and other county entities when finalized, for comments from stakeholders regarding implementation of the temporary 8% across-the-board reduction in service hours to all IHSS recipients, along with attachments of various forms and notices in different languages [copies of this draft and attachments were sent out in a previous CDCAN Report #027-2013]. Deadline to submit comments on the draft notice was May 24th.

When finalized, the department will send out the final version to counties in early June. CDCAN will send out copies of the final version. In addition the department will, assuming SB 67 is signed into law, notify at least 10 days prior to July 1, 2013 notifying all IHSS recipients of the 8% across-the-board reduction.

BUDGET CONFERENCE COMMITTEE SCHEDULED TO MEET FRIDAY AT 1 PM

- Meanwhile, the Senate Budget and Fiscal Review Committee office announced that the 8 member Budget Conference Committee, chaired by Sen. Mark Leno (Democrat – San Francisco), is scheduled to hold its first hearing tomorrow afternoon, May 31st at the State Capitol in Room 4203 at 1:00 PM or upon call of the chair (meaning the exact hearing time could change).
- The Budget Conference Committee, according to the Senate Budget and Fiscal Review Committee office, will begin tomorrow's hearing with a budget overview presentation, followed by, if time allows, taking up the Transportation and Resources Agenda. The Budget Conference Committee agenda is broken up into several separate agendas covering the different major budget areas, including a 28 page agenda focusing on health and human services budget items. It is not certain yet when the committee will take up the health and human services agenda.

BUDGET CONFERENCE COMMITTEE MEMBERS

The 2013 Budget Conference Committee members are:

- Total members: 8 (3 Senate Democrats, 3 Assembly Democrats and 1 Senate Republican and 1 Assembly Republican)
- 2013 Budget Conference Committee Chair: Sen. Mark Leno (Democrat – San Francisco)
- 2013 Budget Conference Committee Vice Chair: Assemblymember Bob Blumenfield (Democrat – Van Nuys)
- Senate Democrats (3): Sen. Mark Leno (chair, Senate Budget and Fiscal Review Committee); Sen. Kevin De Leon (chair, Senate Appropriations Committee); and Sen. Loni Hancock (chair, of the Senate Budget Subcommittee #5 on Corrections, Public Safety and the Judiciary).
- Senate Republican (1): Sen. Bill Emmerson (vice chair, Senate Budget and Fiscal Review Committee)
- Assembly Democrats (3): Assemblymember Bob Blumenfield (chair, Assembly Budget Committee); Assemblymember Holly Mitchell (chair, Assembly Budget Subcommittee #1 on Health and Human Services); and Assemblymember Nancy Skinner (chair, Assembly Rules Committee)
- Assembly Republican (1): Assemblymember Jeff Gorell (vice chair, Assembly Budget Committee)

WHAT IS NEXT FOR THE BUDGET CONFERENCE COMMITTEE

- As previously reported, AB 110, is the main bill containing the 2013-2014 State Budget – at least through the budget conference committee process.
- When the budget conference committee begins its public hearings, no additional public comments are taken at these hearings – which are announced and open to the public (and normally televised and streamed live by CalChannel).
- The budget conference committee normally takes up only those budget items where the two houses took different actions – though sometimes new or alternative proposals can be advanced by either party or by the Governor during this process, and then acted on. The public can always at any time during the budget process send in written comments (letters) to the leadership of both houses and to the budget committee chairs and members regarding their views and positions on specific budget issues.
- The budget conference committee will, sometime by early to mid-June – report out to the Assembly and State Senate floors their actions and any items still unresolved. At that point further action on the state budget occurs on both floors of the Legislature, with final vote on a budget plan that will be

taken before the end of June.

- With only a majority required to pass a budget and budget trailer bills now (unless there is a revenue increase in those bills), there is no doubt that a budget will be passed before the end of the 2012-2013 State Budget year that ends June 30, 2013.

**ASSEMBLY ADJOURNED AT 5:20 PM – WILL MEET AGAIN FROM 9 AM TO 5 PM
FRIDAY – SENATE ADJOURNED JUST BEFORE 1:30 PM TODAY AND MEETS NEXT ON
MONDAY 12 NOON**

- As previously reported, both the Assembly and State Senate convened this morning to take action on bills introduced in their houses earlier this year to meet the May 31st deadline. That legislative deadline requires that the Assembly must pass all Assembly bills introduced earlier this year and the Senate must pass all Senate bills introduced earlier this year on or before May 31st in order for those bills to continue on in the legislative process this year. Any bill that does not pass by that deadline or fails passage cannot have further action until January. The deadline however does not apply to budget related bills or to “urgency” bills.
- The Assembly, convened at 09:00 AM on this morning, and adjourned its floor session just at 5:20 PM with many more bills to go. The Assembly is scheduled to meet again on Friday morning at 09:00 AM to 5:00 PM finish up action on any remaining bills in order to meet the May 31st deadline.
- The State Senate convened at 10:00 AM and adjourned just before 1:30 PM today, finishing action on the remaining Senate bills. The Senate will reconvene at 12:00 noon on Monday.

**HOW CAN I MONITOR THE LEGISLATIVE BUDGET AND POLICY COMMITTEE OR
SUBCOMMITTEE HEARINGS IF I CANNOT ATTEND?**

People can monitor most legislative hearings in several ways including live audio, and live internet streaming. Nearly all hearings – even those not televised live – can be watched later (at least by the next day) in the video archive. See below for information.

- **LIVE VIDEO STREAM – INTERNET** - Most of the scheduled hearings can be viewed live on the CalChannel website at <http://www.calchannel.com/live-webcast/> The page will say “LIVE Webcast California Legislative Hearings” Below that heading, look for the floor session, committee or subcommittee you wish to monitor and the scheduled time of the hearing or floor session and at that time. When the hearing or floor session starts, the posted date and time will change to “In Progress – View Event” Click on that, and a box should open up with the live stream.
- **LIVE CABLE TV BROADCAST** - People can also view the hearing via cable TV through CalChannel. To find what channel it may be on (if your cable company carries CalChannel) check this listing for your city or area and local cable company: <http://www.calchannel.com/local-listing/>
- **LIVE AUDIO ONLY INTERNET BROADCAST AND LIVE VIDEO STREAM** – Look for the hearing you want to listen to below, find the room number, and then click on the Assembly website link: <http://assembly.ca.gov/listentorooms> and then click on the room number (or chamber) where the hearing or floor session is located. The audio quality varies depending on the room and who is speaking. (It doesn’t matter if the floor session or hearing is an Assembly or Senate floor session or hearing – you can access either through this site). The live video stream also available on this page is different from the CalChannel video stream, with the video camera in a fixed position and the quality not as good.

Lorna Owens - Re: CDCAN REPORT #047-2013 (MAY 24 2013): SENATE BUDGET COMMITTEE VOTES 14-0 TO RESTORE MEDI-CAL ADULT DENTAL BENEFIT - ISSUE HEADS NEXT FRIDAY TO BUDGET CONFERENCE COMMITTEE

From: "Marty Omoto - CDCAN (California Disability Community Action Network)" <martyomoto@rcip.com>
To: <CDCANreportlist01@rcip.com>
Date: 5/24/2013 1:41 PM
Subject: Re: CDCAN REPORT #047-2013 (MAY 24 2013): SENATE BUDGET COMMITTEE VOTES 14-0 TO RESTORE MEDI-CAL ADULT DENTAL BENEFIT - ISSUE HEADS NEXT FRIDAY TO BUDGET CONFERENCE COMMITTEE



CDCAN DISABILITY RIGHTS REPORT **CALIFORNIA DISABILITY COMMUNITY ACTION NETWORK** **#047-2013 – May 24, 2013 – Friday afternoon**

Advocacy Without Borders: One Community – Accountability With Action
CDCAN Reports go out to over 65,000 people with disabilities, mental health needs,

seniors, people with traumatic brain and other injuries, people with MS, Alzheimer's and other disorders, veterans with disabilities and mental health needs, families, workers, community organizations, facilities and advocacy groups including those in the Asian/Pacific Islander, Latino, American Indian, Indian, African-American communities; policymakers, and others across the State.

Sign up for these free reports by going to the CDCAN website. Website: www.cdcan.us

To reply to THIS Report write:

Marty Omoto at martyomoto@rcip.com Twitter: martyomoto New Phone: 916-757-5949

SPECIAL NOTE ON CHANGES FOR CDCAN REPORTS – HELP NEEDED:

- *NEW EMAIL LIST SERVICE PROVIDER - CDCAN is in process of transitioning to a different email list service to send out future CDCAN reports very soon that should provide a lot of ways to improve and expand reporting. The reports will look basically the same, though there will be differences in format and we won't be able to send out attachments. Please let me know if you are receiving the reports using the new service, and if the format and reporting looks okay or have other comments.*
- *HELP NEEDED: It will cost more every month, so any support would be greatly (and urgently) needed and appreciated. Please help! (see below)*
- *I want to pay special tribute to River City Internet Providers (RCIP) and the staff there for their tremendous support they have given over the past 15 years to CDCAN and the work of advocacy for people with disabilities, mental health needs, the blind and seniors. Without them I could not have been able to provide the reports I was able to do over the years. – Marty Omoto*
martyomoto@rcip.com

California State Budget – BREAKING NEWS:

FULL SENATE BUDGET COMMITTEE VOTES 14-0 FOR COMPLETE RESTORATION OF MEDI-CAL ADULT DENTAL BENEFIT

SACRAMENTO, CA (CDCAN) [Last updated 05/24/2013 01:26 PM] – The Senate Budget and Fiscal Review Committee, as expected, this afternoon voted 14 to 0 to approve the complete restoration of the Medi-Cal adult dental benefit that was eliminated in 2009. The Assembly did not take up action on this issue and the budget item will head next week for action in the budget conference committee.

The budget subcommittee action today – if eventually enacted as part of the 2013-2014 State Budget - will have sweeping impact for tens of thousands of adults with disabilities – including developmental, the blind and seniors across the State.

The action by the Senate Budget and Fiscal Review Committee is just one of several actions taken in both houses that propose to restore funding for various programs and services there were cut in previous budgets due to the enormous budget shortfalls the State faced then.

As previously reported by CDCAN, the Assembly Budget Subcommittee #1 on Health and Human Services, chaired by Assemblymember Holly Mitchell (Democrat – Los Angeles) approved this afternoon a proposal advanced by subcommittee Democrats to allocate \$12 million in additional State general funds to restore eligibility to California's early intervention program – called "Early Start" that serves over 38,000 infants and toddlers with developmental delays or at risk of developmental delays to what it was prior to 2009. The proposal calls for the restoration of Early Start eligibility to pre-2009 level effective October 1, 2013. The Senate has not yet taken action on this proposal – and the budget issue will head next week for further action in the budget conference committee.

The Brown Administration did not propose restoration of eligibility in the Governor's proposed January 2013-2014 State Budget or May 14th budget revision proposal.

As previously reported, with the Governor saying on May 14th that he would "hold the line" on further spending increases, the Brown Administration and Legislative Democrats appear to be on a collision course on differences in revenue projections for the State and on several budget items where funding was either completely or partly restored for various programs, including the restoration of Medi-Cal adult dental benefits, Medi-Cal expansion, Early Start, and requiring Applied Behavioral Analysis (ABA) services to be provided to children not eligible for regional center services in Medi-Cal managed care plans.

MEDI-CAL ADULT DENTAL RESTORATION WOULD IMPACT TENS OF THOUSANDS OF PEOPLE WITH DISABILITIES, THE BLIND AND SENIORS – AND ALSO PEOPLE ELIGIBLE NEXT YEAR UNDER MEDI-CAL EXPANSION

- As previously reported, the Medi-Cal Adult Dental benefits with the limited exception of "federally required adult dental services" (FRADS) and dental services to pregnant women and nursing home patients, were among several Medi-Cal "optional benefits" eliminated as part of the 2009-2010 State Budget. An "optional benefit" is a Medicaid funded benefit or service that Medicaid does not require the states to provide.
- Even with the elimination of the Medi-Cal adult dental benefit, the "federally required adult dental services" still required California to provide very limited dental services that primarily involves the removal of teeth and treating the affected area. In response to that 2009 elimination of the adult dental benefit, adults with developmental disabilities eligible for Medi-Cal and eligible for regional center funded services under the Lanterman Developmental Disabilities Services Act have been able – since January 2012, to access certain dental services through dentists participating in the Denti-Cal program. The Department of Developmental Services, which oversees the contracts with the 21 non-profit regional centers, reimbursed the cost of these services with regional center funding. It is not certain how the restoration of the Medi-Cal adult dental benefit will impact that program for adults with developmental disabilities who are eligible for both Medi-Cal and regional center services – and how that will impact the regional center budget under the Department of Developmental Services in the coming budget year and subsequent budget years.
- The Governor's January proposed 2013-2014 State Budget and May 14th budget revisions did not have a proposal regarding Medi-Cal Adult Dental Benefits.

- The issue of various ways to restore the eliminated Medi-Cal adult dental benefit was the subject of a previous Senate Budget Subcommittee #3 on Health and Human Services hearing in late April – with many disability and senior advocates urging complete restoration of the service.
- The hearing agenda for this morning notes that the elimination of the Medi-Cal adult dental benefit “...created a dramatic impact on the oral health and overall health of millions of Medi-Cal enrollees. With the expansion of Medi-Cal to certain childless adults, under federal health care reform, the state could take advantage of the 100 percent federal funding (for the first three years) for these new enrollees. The federal government would be paying for 100 percent of the costs associated with the restoration of Adult Dental Services for the newly eligible.
- Senate Budget Committee staff is recommending that the full Senate Budget and Fiscal Review Committee approve the committee’s proposal to fully restore Medi-Cal Adult Benefits for a cost of \$131 million in State general funds. There were no details available about when the restoration would happen, though presumably it would occur sometime during the 2013-2014 State Budget year that begins July 1st.
- The Assembly has not yet taken action on this issue – and approval there – and by the Governor would also be needed. The issue will go to budget conference committee next week.

WHAT HAPPENS NEXT

FULL BUDGET COMMITTEES:

- Both the full Senate Budget and Fiscal Review Committee and the Assembly Budget Committee will likely meet by next week to formally accept or adopt their subcommittee reports on the 2013-2014 State Budget.
- The Assembly Budget Committee is scheduled to do this on May 28th (Tuesday) upon adjournment of the Assembly floor session.

CONFERENCE COMMITTEE:

- Last year the Legislature did not convene a budget conference committee as it normally had done in previous years to resolve differences in actions on the proposed budget by the Assembly and State Senate.
- There will be a budget conference committee this year, and the committee will likely hold its first meeting next week on Friday, May 31st.
- The budget conference committee – composed of 3 members from the Assembly (2 Democrats and 1 Republican) and 3 members of the State Senate (2 Democrats and 1 Republican) – will likely be formed early next week,
- In previous years the members of the budget conference committee would normally be (though there have been exceptions to this) the two chairs of the Senate and Assembly Budget Committees, the two chairs of the Senate and Assembly Appropriations Committee, and the ranking Republican member of the Assembly and Senate Budget Committees.
- When the budget conference committee is formed and meets, no additional public comments are taken at these hearings – which are announced and open to the public (and normally televised and streamed live by CalChannel).
- The budget conference committee normally takes up only those budget items where the two houses took different actions – though sometimes new or alternative proposals can be advanced by either party or by the Governor during this process, and then acted on. The public can always at any time during the budget process send in written comments (letters) to the leadership of both houses and to the budget committee chairs and members regarding their views and positions on specific budget issues.
- The budget conference committee will, sometime by early to mid-June – report out to the Assembly

and State Senate floors their actions and items still unresolved. At that point further action on the state budget occurs on both floors of the Legislature, with final vote on a budget plan that will be taken before the end of June. With only a majority required to pass a budget and budget trailer bills now (unless there is a revenue increase in those bills), there is no doubt that a budget will be passed before the end of the 2012-2013 State Budget year that ends June 30, 2013.

PLEASE HELP!!!!!!

May 24, 2013

***PLEASE HELP CDCAN CONTINUE ITS WORK
WE MAY NOT BE ABLE TO CONTINUE!!!***



CDCAN Townhall Telemeetings, CDCAN Reports and Alerts and other activities cannot continue without YOUR help. To continue the CDCAN website and the CDCAN Reports and Alerts sent out and read by over 65,000 people and organizations, policy makers and media across the State, and to continue and resume CDCAN Townhall Telemeetings, trainings and other events, please send your contribution/donation (please make check payable to "CDCAN" or "California Disability Community Action Network" and mail to:

CDCAN – NEW MAILING ADDRESS:

**1500 West El Camino Avenue Suite 499
Sacramento, CA 95833**

[replaces 1225 8th Street Suite 480, Sacramento, CA 95814]

NEW Phone: 916-757-9549 (replaces 916-212-0237)

Many, many thanks to all the organizations and individuals for their continued support that make these reports and other CDCAN efforts possible!



May 28, 2013 - Capitol Desk

Federal Court Upholds 10% Medi-Cal Provider Cut

by David Gorn

The United States Ninth Circuit Court of Appeals on Friday upheld the right of California to impose a 10% rate reduction on providers of Medi-Cal services.

The long-awaited ruling is the last judicial step, short of the U.S. Supreme Court, for the controversial cut to hospitals, physicians, emergency transport and dentists. Provider groups have said they would likely appeal the rate reduction to the Supreme Court.

The federal ruling lifted the injunctions on implementing the reductions. Outside of a Supreme Court appeal, the federal judicial panel clearly stated there would be no further appeals considered.

"This decision will be devastating to an already fragile safety net," said Lindsey Robinson, president of the California Dental Association. If provider rates dip too low, providers may stop accepting Medi-Cal patients, she said. That comes at a time when the expansion of Medi-Cal will create more demand for providers.

"The state's efforts to cut reimbursement rates will harm patients' oral health and their ability to access care at a time when California is trying to recruit more providers into the system," Robinson said.

That 10% cut represents about \$600 million a year to the California budget.

The Legislature, prompted by the governor and a huge budget shortfall, passed the 10% across-the-board reductions in 2011. That move was put on hold until the court case could be resolved. Now, two years later, providers are not only looking at that 10% cut, but also at needing to pay back two years' worth of retroactive service fees.

State officials have said that "clawback" can be paid over four years instead of two, which would mean a 15% rate reduction for Medi-Cal providers for the next four years, and a 10% reduction after that.

The California Hospital Association, in a written release, expressed sadness at **the Ninth Circuit decision** and did not yet commit to a Supreme Court appeal.

"We are evaluating next steps in terms of the judicial process," the statement said.

The other avenue of effort is legislative. Two bills going through the Legislature now would reverse the 10% cuts. **SB 640** by Sen. Ricardo Lara (Long Beach) and **AB 900** by Assembly member Luis Alejo (D-Watsonville) received bipartisan support and unanimous votes in committee when first introduced.

The governor said he would veto the bills. Some lawmakers are talking about mounting a campaign for a two-thirds majority in the Legislature to override a veto.

If those bills do become law and the 10% reductions are reversed, the reversal of cuts could not be retroactive, so providers would face a minimum of two years' worth of provider rate reductions, according to state officials.

AB 1089 (Calderon, Ian D) Foster Care.

Current Text: Introduced: Amended 4/18/2013

Location: 5/24/2013-S. RLS.

Summary: Would specify the transfer procedures that would apply when children who have an order for foster care, are awaiting foster care placement, or are placed in out-of-home care, and other consumers of regional center services and supports, transfer between regional centers or local education agencies, or from a local education agency to a catchment area where there are no services, as specified. The bill would require the sending regional center to notify the receiving regional center of the relocation, as specified. By imposing new duties and a higher level of service on local entities, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Position: Oppose (Position Letter)

AB 1041 (Chesbro D) Developmental Services: Employment First Policy.

Current Text: Introduced: 2/22/2013

Location: 5/29/2013-S. RLS.

Summary: Would require each regional center planning team, when developing an individual program plan for a transition age youth or working age adult, to consider a specified Employment First Policy. The bill would also require regional centers to ensure that consumers, beginning at 16 years of age, and, where appropriate, other specified persons, are provided with information about the Employment First Policy, about options for integrated competitive employment, and about services and supports, including postsecondary education, available to enable the consumer to transition from school to work, and to achieve the outcomes of obtaining and maintaining integrated competitive employment. This bill contains other related provisions and other existing laws.

Position: Support, if amended

AB 1112 (Ammiano D) Developmental Services: Habilitation.

Current Text: Amended: 4/18/2013

Location: 5/29/2013-S. HUM. S.

Calendar: 6/11/2013 1:30 p.m. – Room 3191 SENATE HUMAN SERVICES, YEE, Chair

Summary: Would require that those providers of individualized and group-supported employment services be paid the rates provided in existing law or rates established by the Department of Rehabilitation, whichever are greater. The bill would also require that a program provider, under certain circumstances, be paid a fee of \$700 for employment preparation services provided to a consumer prior to placement in an integrated job.

Position: Support

AB 1232- (V. Manuel Pérez D) Developmental Services: Quality Assessment System.

Current Text: Introduced: 2/22/2013

Location: 5/23/2013-S. HUM. S.

Summary: Current law requires the State Department of Developmental Services to implement a quality assessment system, as prescribed, to enable the department to assess the performance of the state's developmental services system and to improve services for consumers. The department is required to contract with an independent agency or organization that is, in part, experienced in designing valid quality assurance instruments, to implement the system. This bill would require the quality assurance instrument to assess the provision of services in a linguistically and culturally competent manner and include an outcome-based measure on issues of equity and diversity. This bill would require the independent agency or organization the department contracts with to be experienced in issues relating to linguistic and cultural competency.

Excerpt of ARCA Tracked Bills

as of Tuesday, June 04, 2013

SB 126 (Steinberg D) Health Care Coverage: Pervasive Developmental Disorder or Autism.

Current Text: Introduced: 1/22/2013

Location: 5/28/2013-A. HEALTH

Calendar: 6/11/2013 1:30 p.m. - State Capitol, Room 4202 ASSEMBLY HEALTH, PAN, Chair

Summary: Existing law requires health care service plan contracts and health insurance policies to provide benefits for specified conditions, including coverage for behavioral health treatment, as defined, for pervasive developmental disorder or autism, except as specified. These provisions are inoperative on July 1, 2014, and are repealed on January 1, 2015. This bill would extend the operation of these provisions until July 1, 2019, and would repeal these provisions on January 1, 2020. By extending the operation of provisions establishing crimes, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws. Position: Support (Position Letter)

SB 137 (Emmerson R) Developmental Services: Regional Centers.

Current Text: Introduced: 1/28/2013

Location: 5/29/2013-A. DESK

Summary: Existing law requires a regional center that provides support and services to individuals with developmental disabilities to include specified information on its Internet Web site for the purpose of promoting transparency and access to public information that includes specified information. This bill would require that information to include specified information about payments to vendors and to nonprofit housing organizations.

SB 158 (Correa D) Autism Services: Demonstration Program.

Current Text: Amended: 5/28/2013

Location: 5/30/2013-A. DESK

Summary: Would authorize, until January 1, 2019, the establishment of a demonstration program that would be known as the Regional Center Excellence in Community Autism Partnerships (RE CAP) program to provide improved services, supports, interventions, and other resources to assist individuals with autism spectrum disorders, and their families, who are regional center consumers and who reside in underserved communities, as specified.

SB 208 (Lara D) Developmental Services: Request for Proposals.

Current Text: Amended: 5/28/2013

Location: 5/30/2013-A. DESK

Summary: Current law authorizes the regional center to, among other things, solicit an individual or agency, by requests for proposals (RFPs) or other means, to provide needed services or supports that are not available to achieve the stated objectives of a consumer's IPP. This bill would require a request for proposals that is prepared by a regional center for consumer services and supports to include a section on issues of equity and diversity, as specified.

SB 367 (Block D) Developmental Services: Regional Centers: Cultural and Linguistic Competency.

Current Text: Amended: 5/28/2013

Location: 5/30/2013-A. DESK

Summary: Current law requires the governing board of a regional center to satisfy specified requirements, including annually reviewing the performance of the director of the regional center, and providing necessary training and support to board members. This bill would require that this training and support include issues relating to linguistic and cultural competency, and would require each regional center to post on its Internet Web site information regarding the training and support provided.

Excerpt of ARCA Tracked Bills

as of Tuesday, June 04, 2013

SB 468 (Emmerson R) Developmental Services: Statewide Self-Determination Program.

Current Text: Amended: 5/28/2013

Location: 5/30/2013-A. DESK

Summary: Would require the State Department of Developmental Services, contingent upon approval of federal funding, to establish and implement a state Self-Determination Program, as defined, that would be available in every regional center catchment area to provide participants and their families, within an individual budget, increased flexibility and choice, and greater control over decisions, resources, and needed and desired services and supports to implement their IPP, in accordance with prescribed requirements. The statewide program would be phased in over 3 years, initially serving up to 2,500 regional center consumers, and thereafter would be available on a voluntary basis to all regional center consumers.

SB 555 (Correa D) Developmental Services: Regional Centers: Individual Program Plans and Individualized Family Service Plans.

Current Text: Amended: 5/28/2013

Location: 5/30/2013-A. DESK

Summary: Would require a regional center to make every reasonable effort to communicate in the family's native language during the IFSP planning process and to provide a copy of the IFSP in the family's native language. The bill would require the family's native language to be documented in the IFSP. The bill would similarly require a regional center to make every reasonable effort to communicate in the consumer's native language, or, when appropriate, the native language of his or her family, legal guardian, conservator, or authorized representative, during the IPP planning process and to provide a copy of the IPP in the native language of the consumer or his or her family, legal guardian, conservator, or authorized representative, or both. This bill contains other related provisions and other existing laws.

SB 579 (Berryhill R) Developmental Services: Oversight Efficiency and Quality Enhancement Model.

Current Text: Amended: 4/9/2013

Location: 5/3/2013-S. 2 YEAR

Summary: Would, commencing January 1, 2014, and to the extent that funds are made available, establish a 4 1/2 year Oversight Efficiency and Quality Enhancement Model pilot project in specified regional center catchment areas to implement a unified oversight and quality enhancement process, as specified, shifting the oversight of the service providers from the Community Care Licensing Division of the State Department of Social Services and the Licensing and Certification Division of the State Department of Public Health to the department and the pilot regional centers. This bill contains other related provisions.

Position: Support (ARCA-Sponsored)

Notes

- * Four POS disparity bills died: SB 164 (Rubio), SBs 319 & 321 (Price), and SB 784 (Fuller).
- * All bills have until August 16th to get out of policy committees, and August 30th to get out of Appropriations committees. These bills will all likely go to Human Services Committees next.
- * The final deadline for legislative action is September 13th.



ASSOCIATION OF REGIONAL CENTER AGENCIES

915 L Street, Suite 1440 • Sacramento, California 95814 • 916.446.7961 • Fax: 916.446.6912

April 19, 2013

Senator Bill Emmerson
State Capitol, Room 5082
Sacramento, CA 95814-4900

RE: Questions Regarding SB 468

Honorable Senator Emmerson:

The Association of Regional Center Agencies (ARCA) represents the network of regional centers that advocate on behalf of and coordinate services for California's over 250,000 people with developmental disabilities.

ARCA and its member regional centers have been long-time supporters of the concept of self-determination as a means to effectively provide individually-tailored services to meet the needs of Californians with developmental disabilities. Our organization sees self-determined services as a means to address purchase of service disparities impacting traditionally underserved and underrepresented racial and ethnic communities and as a critical step toward equalizing access to services. For these reasons, we take this legislation very seriously and remain supportive of the concept of the expansion of self-determined services to more individuals in California's developmental services system, but feel there remain several questions related to SB 468 in its current form:

- If an individual chooses to utilize the services of an Independent Facilitator, it is unclear what the ongoing role of the regional center service coordinator is in development of the individual program plan or securing of needed services.
- As the outlined self-determination program is voluntary, there would need to be a targeted effort to reach out to traditionally underserved and underrepresented communities to ensure equal access to participation in this program.
- It is unclear how cost neutrality in the aggregate will be measured or achieved given increased costs associated with regional center service coordination, training, quality assurance, and accounting functions as well as the new cost of a financial management service. An additional driver of costs could be the inclusion of a risk pool or emergency fund to allow individuals with unanticipated service needs to continue to participate in the program.
- Additional clarity is needed on what assessment tools or procedures will be used to establish individual budgets in a fair and equitable manner.
- Additional consideration is needed to determine whether it would be most fiscally and programmatically sound to seek an amendment to the home and community-based waiver or to the 1915(i) state plan amendment that is anticipated to be approved by the Centers for Medicare and Medicaid Services in the near future.
- The bill presents an aggressive timeline for implementation and does not allow sufficient time for training and preparation on the part of regional centers, which took approximately one year to complete in the 1998 self-determination pilot program.
- The advisory committee comprised of individuals appointed by regional centers, the Office of Clients' Rights Advocacy, and the Area Board has an ill-defined role in implementation of the presented program.

Additional information is needed to fully understand the roles and responsibilities of these local committees.

The self-determination project that began at five regional centers in 1998 demonstrated that this model and its associated person-centered planning process have the potential to be powerful tools in identifying and addressing unmet needs in traditionally underserved geographic and racial or ethnic communities. In order to avoid perpetuating any identified service inequities arising from racial, ethnic, or geographic factors, an individual budgeting methodology must be carefully developed which is based on individual characteristics and needs rather than historical purchase of service spending. Additionally, the array of services available under a self-determination model must be more flexible and responsive to the needs, lifestyles, and preferences of individuals and their families in order to limit barriers to accessing needed services. An overarching goal of the expansion of self-determined services in California should be the equalization of access to services for individuals.

In order for self-determination to expand and ultimately be a service option available to all Californians with developmental disabilities, it must be financially sustainable. Ahead of the state making a commitment to this program in any particular form, there must be extensive dialogue with the Centers for Medicare and Medicaid Services to ensure that all requirements for federal funding are met in the authorizing legislation. As regional centers have worked tirelessly to secure federal funding for its existing programs, California cannot afford to allow its passion for this model to get ahead of this essential step.

SB 468 proposes the single largest change to the regional center system in more than a decade. As such, additional time is needed to ensure that a broad group of stakeholders including self-advocates has an adequate opportunity to offer input into the development of the program. The pace of the legislative process should not dictate the timeframe for receipt and consideration of thoughtful input from a variety of interested parties. ARCA respectfully requests that SB 468 be put on a two-year bill track in order to enable sufficient time for necessary dialogue and collaboration.

ARCA appreciates the opportunity to comment on SB 468 and is grateful that the issue of expanding California's use of self-determined services has been brought to the attention of the Legislature. ARCA looks forward to continuing to work towards the implementation of such a program to address unmet needs of Californians with developmental disabilities in creative and person-centered ways.

If you have any additional questions regarding our position, please do not hesitate to contact Amy Westling in our office at awestling@arcnet.org or (916) 446-7961.

Sincerely,

/s/

Eileen Richey
Executive Director

Cc: Members, Senate Human Services Committee
Mareva Brown, Chief Consultant, Human Services Committee
Joe Parra, Senate Republican Policy Consultant
Brendan McCarthy, Consultant, Senate Committee on Appropriations
Catherine Blakemore, Executive Director, Disability Rights California
Evelyn Abouhassan, Senior Legislative Advocate, Disability Rights California
Connie Lapin, Autism Society of Los Angeles



SB 579 (Berryhill)

Developmental Disabilities Services System Oversight Efficiency and Quality Enhancement Act

Background:

The Lanterman Act provides for quality state-funded services and supports for individuals with developmental disabilities (clients) in California. Evaluation of the services and supports that clients receive from both Regional Centers and service providers is a critical component of this service system. Those services are designed to assist those individuals and their families to be integrated, independent members of their communities.

Currently, three state entities are charged with monitoring and maintaining those services: the Department of Developmental Services (and the 21 Regional Centers); the Department of Social Services Community Care Licensing; and the Department of Public Health Licensing.

Issue:

This duplication wastes state dollars and resources by having multiple people and agencies looking at the same criteria, sometimes from contradictory review values. Each agency applies different and often contradictory standards. Service providers have their costs and staff hours increased by this duplication. And clients' services are hindered, as the development of innovative, cost-effective services and best practices is impeded by outdated licensing categories and regulations. It is not effective at ensuring, monitoring, or improving quality of services.

What This Bill Does:

SB 579 creates a five-year Oversight Efficiency and Quality Enhancement Model pilot project that will place authority for service quality at DDS and three pilot Regional Centers – the agencies with expertise in serving people with developmental disabilities. It updates standards used in service provider reviews to address individual outcomes such as community inclusion, empowerment, and choice, as well as health and safety.

To strengthen and refine the project, local Advisory Committees and statewide Stakeholder Organizations – including consumers, family members, service providers, and advocates – will provide input and feedback in its design, implementation, and evaluation. There is also a data collection component to gather reliable, valid, accessible data focused on the quality enhancements desired over time.

This bill is consistent with efforts to move licensing responsibilities closer to the responsible state agency providing the funding. Its unitary authority approach has been successfully adopted in statute for certain services to persons with developmental disabilities (e.g., supported living services).

Support

Association of Regional Center Agencies (sponsor)

The Arc and United Cerebral Palsy; Cal-TASH; Lifehouse; Partnerships With Industry.

Staff Contacts

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916.446.7961

Can we convince the Governor to restore Early Start?



The last man not yet standing up for Early Start restoration...

.....

...needs to hear from you NOW!

Will you tell him?

[Click here!](#)

On Monday, the Budget Conference Committee made it apparent that they support restoring Early Start. Your ongoing advocacy is helping to ensure **they know this matters**. And if you haven't let them know, [click here](#) and you can! But there is one more person who needs convincing. A man who must be told, directly and immediately, that this restoration must happen!

That man is Governor Brown. Negotiations are happening *right now*. A lot of people with a lot of different interests are trying to convince him to approve new spending. Unless he hears that this must be the priority, it will not happen.

- Your calls and emails got Early Start on the agenda.
- Your outreach and lobbying earned it strong support from the Budget Conference Committee.
- And now your final efforts can make this happen!

Please, take 30 seconds of your time... it could make a lifetime of difference for California's at-risk children! [Click here](#) now, or call him at !

And forward this on to your friends and colleagues!

[Forward to Friend](#) | [Join our mailing list!](#)

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WE NEED YOUR HELP TO SAVE THE LANTERMAN ACT AND TO PRESERVE THE INTENT OF SEN. STEINBERG'S SB 946

Please circulate.

The Lanterman Act and SB 946 are in serious jeopardy. The Governor has proposed Trailer Bill Language that would **forbid** Regional Centers from reimbursing insurance deductibles and severely limit their ability to pay co-pays/co-insurance. As of now the Legislature has adopted this language. **If you do not act it will become permanent and any families who are currently receiving funding for co-pays or deductibles from any Regional Center are at risk of losing them starting July 1, 2013.** The circumstance is dire and immediate action is needed to reverse this outcome.

All 10 of the legislators listed below plus the Governor are key decision makers who need to be contacted. This issue can be decided at any time so please don't wait.

Please follow this protocol and use this exact language when making your calls and sending your emails. We want a unified message coming from all organizations and individuals who are making contact. This is very important.

CONTACT INFO: Governor Jerry Brown [\(916\) 445-2841 \(Ph\)](tel:9164452841) [\(Fx\) 916-558-3160](tel:9165583160)

Phone call language when calling the Governor:

"Please withdraw the Trailer Bill Language regarding Regional Center co-pays and deductibles for developmental disabilities. Save the Lanterman Act and don't undermine Senator Steinberg's SB 946".

Language to cut and paste into the Governor's Contact Page: Use this link to access the page:

http://gov.ca.gov/m_contact.php

(You can cut and paste the below information into the Governor's contact page. Complete the requested information. In the space where it says "Please choose your subject" click on the drop down arrow and click on "**Health and Human Services**". If you are an organization, say "I am writing on behalf of XYZ organization representing (# of people)".

Dear Governor Brown,
Please WITHDRAW the Trailer Bill Language contained in the Department of Developmental Services Budget Item that would forbid reimbursement by Regional Centers for deductibles and severely limit their ability to pay co-pays/coinsurance for critical intervention services for persons with developmental disabilities, including autism. Please SAVE the Lanterman Act and DO NOT UNDERMINE Senator Steinberg's SB 946.

Phone call language when calling everyone else:

"Please reject the Governor's Trailer Bill Language regarding Regional Center co-pays and deductibles for developmental disabilities. Save the Lanterman Act and don't undermine Senator Steinberg's SB 946".

Email Language when contacting everyone else: (You can cut and paste the below information into your email. The only personalization you need to make is "Dear Senator _____" or "Dear Assembly Member _____". Sign your name. If you are an organization, say "I am writing on behalf of XYZ organization representing (# of people)". Sign your name and your title.

Dear Senator/Assemblymember X,

Please REJECT the Governor's Trailer Bill Language contained in the Department of Developmental Services Budget Item that would forbid reimbursement by Regional Centers for deductibles and severely limit their ability to pay co-pays/coinsurance for critical intervention services for persons with developmental disabilities, including autism. Please SAVE the Lanterman Act and DO NOT UNDERMINE Senator Steinberg's SB 946.

**Contact Info:
Leadership**

- Senator Darrell Steinberg Senator.Steinberg@senate.ca.gov (916) 651-4006
- Speaker John Perez Speaker.Perez@assembly.ca.gov (916) 319- 2053

Budget Conference Committee Members

- Chair - Senator Mark Leno Senator.Leno@senate.ca.gov (916) 651-4011
- Assemblymember Bob Blumenfield Assemblymember.Blumenfield@assembly.ca.gov (916) 319-2045
- Senator Kevin DeLeon Senator.DeLeon@sen.ca.gov (916) 651-4022
- Assemblymember Holly Mitchell Assemblymember.Mitchell@assembly.ca.gov (916) 319-2054
- Assemblymember Nancy Skinner - Assemblymember.Skinner@assembly.ca.gov (916) 319 - 2015
- Senator Loni Hancock Senator.Hancock@sen.ca.gov (916) 651-4009
- Senator Bill Emmerson Senator.Emmerson@sen.ca.gov (916) 651-4023
- Assemblymember Jeff Gorell - Assemblymember.Gorrell@assembly.ca.gov (916) 319 - 2044

If you have any problems getting through via phone calls or email, send a fax as a last resort. See below for fax numbers:

Senator Darrell Steinberg [916-323-2263](tel:916-323-2263)

Speaker John Perez [916-319-2146](tel:916-319-2146)

Senator Mark Leno [916-445-4722](tel:916-445-4722)

Senator Kevin DeLeon [916-327-8817](tel:916-327-8817)

Senator Bill Emmerson [916-327-2272](tel:916-327-2272)

Senator Loni Hancock [916-327-1997](tel:916-327-1997)

Assemblymember Bob Blumenfield [916-319-2145](tel:916-319-2145)

Assemblymember Jeff Gorell [916-319-2144](tel:916-319-2144)

Assemblymember Holly Mitchell [916-319-2154](tel:916-319-2154)

Assemblymember Nancy Skinner [916-319-2115](tel:916-319-2115)

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 Chief Executive Officer of United Cerebral Palsy of Los Angeles, Ventura, and Santa Barbara Counties since 1987. Cohen is an expert on developing housing for special needs populations and has testified before the California State Legislature and the United States Congress on alternatives to institutional living.

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. 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 ED of the Developmental Disabilities Area Board 10 in Los Angeles County.

Dana Hooper, MBA, is the Executive Director of Life Services Alternatives, Inc. (LSA). Dana is a technology industry veteran with extensive sales and marketing experience. He was previously a vice president of U.S. operations for a German software developer and on the leadership team at Speech Machines, Lernout and Hauspie and Centigram.

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.

Ray 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. Ray 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 Tulare, Kings, Fresno, Madera, Mariposa and Merced counties, including the Porterville Developmental Center in Tulare County.

Will Sanford is the Executive Director of Futures Explored, Inc., a community-based organization that provides support 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 will each designate one member to represent the Legislature.

###

DEPARTMENT OF DEVELOPMENTAL SERVICES

1600 NINTH STREET, Room 322, MS 3-10
SACRAMENTO, CA 95814
TDD 654-2054 (For the Hearing Impaired)
(916) 654-1820, Fax (916) 654-1913

**FOR IMMEDIATE RELEASE**

**Contact: Nancy Lungren
(916) 654-1820; (916) 616-8265 (cell)**

**California Department of Developmental Services Secures
Expanded Federal Funding for Community-Based Services**

*Approval of State Plan Amendment allows state to utilize
federal funding for persons with developmental disabilities*

Sacramento, May 1, 2013 – The Department of Developmental Services (DDS) and the Department of Health Care Services (DHCS) announced an agreement today with federal authorities that will provide approximately \$600 million in federal funds and more than \$160 million annually in future years for community-based services that serve Californians with developmental disabilities.

Approval of this State Plan Amendment (SPA) by the Centers for Medicare and Medicaid Services (CMS) furthers the partnership between California and the federal government in funding community-based services and is the first in the nation approved by CMS under Section 1915(i) specifically for persons with developmental disabilities. The SPA approval allows California to access federal funding for services, such as residential supports, day programs and respite, provided to individuals who do not meet the "institutional level of care" eligibility criteria of the current Medicaid HCBS Waiver.

In May 2009, DDS, in conjunction with DHCS, developed the amendment to ensure adequate funding for community-based services to Medi-Cal eligible individuals. This additional funding helps stabilize the DDS system that supports and serves individuals with developmental disabilities in California.

"CMS approval of the 1915(i) SPA will enable the state to receive over \$600 million in federal funding from October 2009 through the current fiscal year and more than \$160 million annually in the future," said DDS Director Terri Delgadillo. "Our top priority at DDS is to preserve the Lanterman Act entitlement to services and the State Plan Amendment will help ensure individuals with developmental disabilities receive the services they need to live independent and productive lives in the community."

For more information on DDS, visit www.dds.ca.gov.

###

"Building Partnerships, Supporting Choices"

What is the 1915(i)?

- ⦿ Established as part of the Deficit Reduction Act of 2005, Section 1915(i) of the Social Security Act gives states the option to provide Home and Community-Based Services (HCBS) without a waiver
- ⦿ Breaks the “eligibility link” between HCBS and Institutional care required under 1915(c) Waivers
- ⦿ States must establish “needs-based eligibility” criteria that has a lower threshold than Waiver or institutional level-of-care (LOC)

ARCA Federal Programs Presentation - 5/29/13

What is the 1915(i)? (cont.)

- ⦿ Is it a Waiver? No, but there are many similarities
 - Allowable services – more on this when we discuss specifics for California
 - Residence in community
 - Medicaid (Medi-Cal) eligibility
 - State oversight and reporting to CMS
 - Requires renewal with CMS every five years if the State chooses to target the population

ARCA Federal Programs Presentation - 5/29/13

What's different?

- ⦿ Eligibility threshold is less than what is required for Waivers
- ⦿ Limiting enrollment not permitted
- ⦿ Waiver requires estimate of service costs and utilization and that the Waiver is cost neutral
- ⦿ 1915(i) requires CMS approval of rate methodologies

ARCA Federal Programs Presentation - 5/29/13

Why did California choose this option?

- ⦿ Budgets over the last several years have included various ways, such as the 1915(i) to increase federal funding
- ⦿ 2009/10 budget, submission of the 1915(i) SPA was one of the solutions used to meet the required \$334 million general fund savings (*more federal funding saves general funds*)
- ⦿ Funding from the 1915(i) has also been cited as a solution in subsequent budget reductions (e.g. increased reimbursements from prior years helped with the \$100 million 'trigger' in FY 2011/12)
- ⦿ More than \$600 million in FFP from October 2009 through the current year
- ⦿ Estimate \$167 million in FY 13/14

ARCA Federal Programs Presentation - 5/29/13

What are the regional center requirements?

- ⊙ Initial eligibility
- ⊙ On-going eligibility
- ⊙ Case management requirements
- ⊙ Eligibility tracking back to October 2009 and going forward

ARCA Federal Programs Presentation - 5/29/13

Interaction with the Waiver

- ⊙ 1915(i) is for consumers who do not meet Waiver LOC
- ⊙ Consumers who meet the LOC and other eligibility requirements need to be added to/remain on the Wavier
 - Not all services currently billable under the 1915(i). Those not billable yet include transportation, participant-directed services and residential facilities with negotiated rates
 - Budget assumes continued aggressive Waiver enrollment
 - Funding

ARCA Federal Programs Presentation - 5/29/13



SB 946 INSURANCE FOR AUTISM

June 2013

Staff across departments are working to keep current information on the status of families' attempts to access insurance. All Service Coordination teams have met with the Benefits Coordinator and received the procedures and related forms to assist families with co-pays, co-insurance and deductibles. The Benefits Coordinator is currently assisting 8 families who have been denied coverage to file complaints and Independent Medical Reviews.

Approximately 50 families remain in a "Pending" status with regard to accessing their insurance for behavioral services.

The "Pending" status includes families who requested insurance authorization and are receiving conflicting or confusing information back from their health plans, as well as families who are not following up to access health insurance, and others who are resisting the potential change in providers when they do not want to use the in network provider contracted with their plan. Many are simply overwhelmed by the work necessary.

There is also a focus on identifying the cause of delays in billing for services when insurance is requested and authorized. We are finding a range of reasons for billing delays, including:

- A lack of consistency in payments from health plans, resulting in ABA providers receiving payment from health plan for amounts differing from the original authorization.
- Multiple requests from the health plans for additional information before they approve or pay for a service.
- Some families and providers are submitting bills for co-pays and/or co-insurance to TCRC months after insurance has been covering services. It is very important for families to provide their insurance information at the start of the IPP process if they want assistance with co-pays and/or co-insurance.
- The complex nature of the insurance billing process has also resulted in a backlog for ABA providers in processing bills; some providers have invested in staff specifically for insurance billing. Some ABA providers are also facing cash flow difficulties as a result of the delay in health plan reimbursement.

POS Manager

TCRC's POS Manager works with providers and staff to set up authorizations and billing for the co-pays, co-insurance and deductibles, once the exception process is completed. TCRC's procedures require an exception to be approved before authorizing any deductible payments or when the co-pay or co-insurance amounts are greater than \$45 per day.

Austism Coordinator

The Autism Coordinator continues to provide information to parents about how to access insurance for autism treatment at the monthly Behavioral Services Orientations. The one hour Orientations have been extended for as long as two hours when families attend who have individual insurance questions. This is providing a great opportunity to support families as they begin the insurance process.

Benefits Coordinator

The Benefits Coordinator has established contacts in local Medi-Cal Intake and Eligibility offices to develop a more streamlined system for applications for Medi-Cal and Institutional Deeming to be processed. Many applications are lost or delayed due to the length and complexity of the forms, preventing families from accessing the services they need, and delaying the ability of TCRC to add families to the Medicaid waiver to access federal funding.

SB946 has been extended to July 1, 2019 and will not sunset on June 30, 2014. Trailer bill language prohibiting Regional Centers from paying insurance deductibles, and require "means testing" to limit reimbursement of co-pays and co-insurance for families earning over 400% of the federal poverty limits **is likely to pass without concerted efforts to contact the Governor and Legislators to oppose.** Thousands of calls have gone out to the Conference Committee & Governor request the trailer bill language be removed from the budget. Several

flyers in opposition are circulating from advocacy groups. TCRC has posted this information on its website. The Trailer Bill requires DDS to develop and implement regulations and procedures for all Regional Centers and would become effective July 1 or when the new budget is approved. Also, a proposal to add ABA coverage to Medi-Cal is currently moving through the budget process. This will allow those transitioning to Healthy Families who are not eligible for Regional Center to continue ABA treatment.

Count of individuals with CDER =
Autism with ABA services: 752

TCRC funds:

No Private Insurance 99
Medi-Cal only - no Private Insurance 299
Exempt (self or federally funded) 57
Insurance Denied 62
Co-Pay or Co-Insurance 53
Deductibles 6
Pending Insurance application for funding 53
TOTAL FUNDED BY TCRC 623

Insurance Funding:

Insurance Picked up Full Funding 61

***SB 946 – Autism Health Insurance Plan Mandate
PROCEDURE FOR AUTHORIZATION OF
CO-PAYMENTS & CO-INSURANCE***

Updated April 2013

A. GENERAL GUIDELINES

1. **TCRC will pay co-payment (“co-pays”) and co-insurance amounts for Applied Behavior Analysis (“ABA”) sessions provided to persons served who have a diagnosis of Autism and their families who are covered by private insurance up to \$45 per day.**
2. TCRC will not require any financial justification from families to approve co-pays or co-insurance.
3. TCRC will pay the ABA service provider directly for family co-pays or co-insurance.
4. TCRC will not reimburse families directly for insurance co-pays or co-insurance. This eliminates any potential IRS income penalties for the family.
5. TCRC will only reimburse co-pays or co-insurance for ABA treatments at this time. (OT, PT, SLP or other medically necessary services are not included in this reimbursement procedure).
6. Early Start services and insurance reimbursement are regulated differently; contact the Service Coordinator or the Early Start Manager in the local TCRC office if there are questions about insurance funded services for children 0-3.
7. TCRC will reimburse co-pays and co-insurance using Medicaid Waiver billable service codes.
8. Families who are on the Medicaid Waiver and have private insurance will need to use private insurance as the primary funding source.
9. Families receiving Medi-Cal only and who do not have private insurance are not affected by SB 946 and ABA services will be fully funded by TCRC in accordance with the IPP.
10. Information on participating Health Plans and ABA Providers is available on TCRC’s website and is also available on TCRC’s staff Intranet.

B. EXCEPTIONS

The following situations require a higher level of approval:

1. The co-pay or co-insurance amount exceeds \$45 per day.
2. Supervision hours are not covered by insurance.
3. A family requests that TCRC pay for their deductible.