

Provision of Selected Services for DDS Clients

Staff Findings and Recommendations
Legislative Program Review and Investigations
Committee
December 20, 2011

Study Focus

- Scope approved by committee in March 2011
- Focus of study:
 - Conduct thorough analysis of costs of DDS-operated and private provider 24-hour residential services
 - Determine whether private sector can provide comparable services at less cost
 - Identify issues around the dual provider system
 - Produce recommendations to ensure cost-effective, quality-driven system

Major conclusions

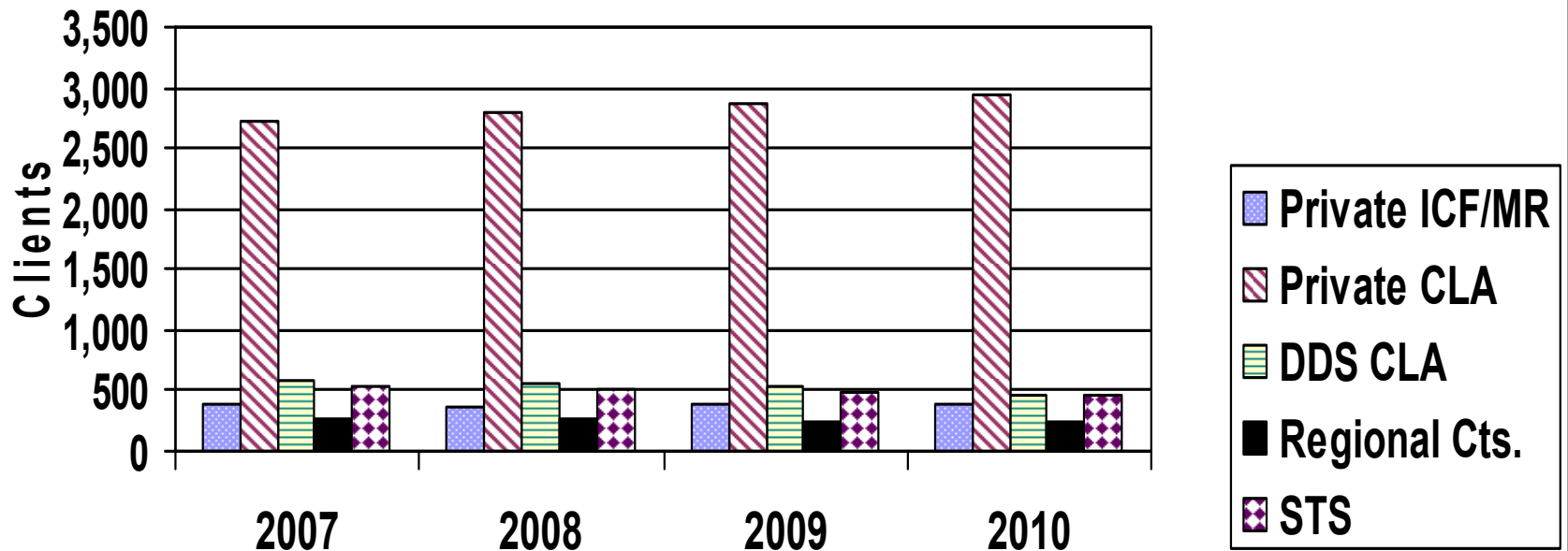
- CT has a dual services system
- Costly one
- Ultimate policy objective is to have services provided almost entirely by private providers
- DDS appears to be vigorously pursuing this objective
- No recommendations for closure of Southbury or other state centers
- **14 Recommendations** aimed at achieving that policy objective, recognizing the many system complications and ensuring quality for clients

Presentation

- Four Major Areas
 - Residential costs of care:
 - Expanding on areas outlined in September briefing
 - Comparison of cost components
 - Discussion of major factors and contribution to costs
 - Day/Work Programs
 - Programs
 - Costs
 - Costs and New Rate Structure
 - Time frame and Implications
 - Costs and Funding Guidelines
 - Quality Assurance
 - Comparison of Private and Public
 - Health Services

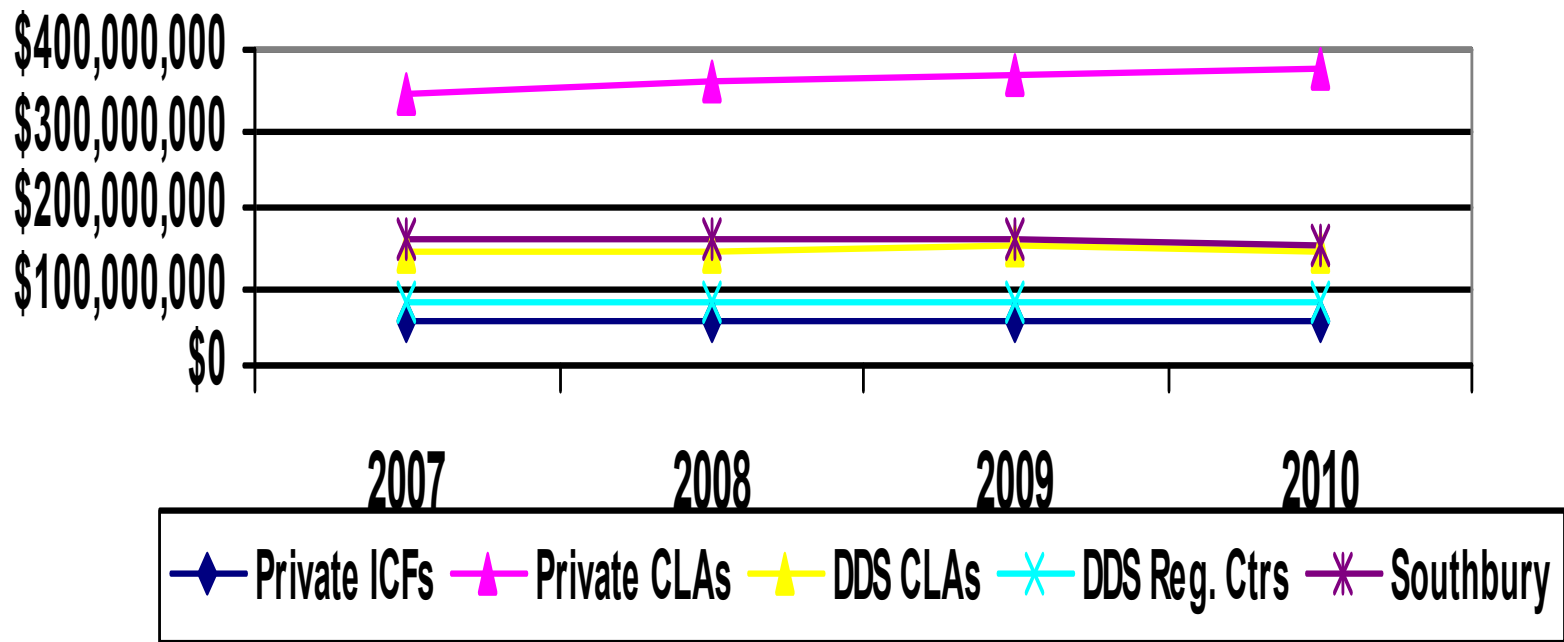
Residential Care and Costs

Number of Residents by Type of Setting: FY 07 - FY 10



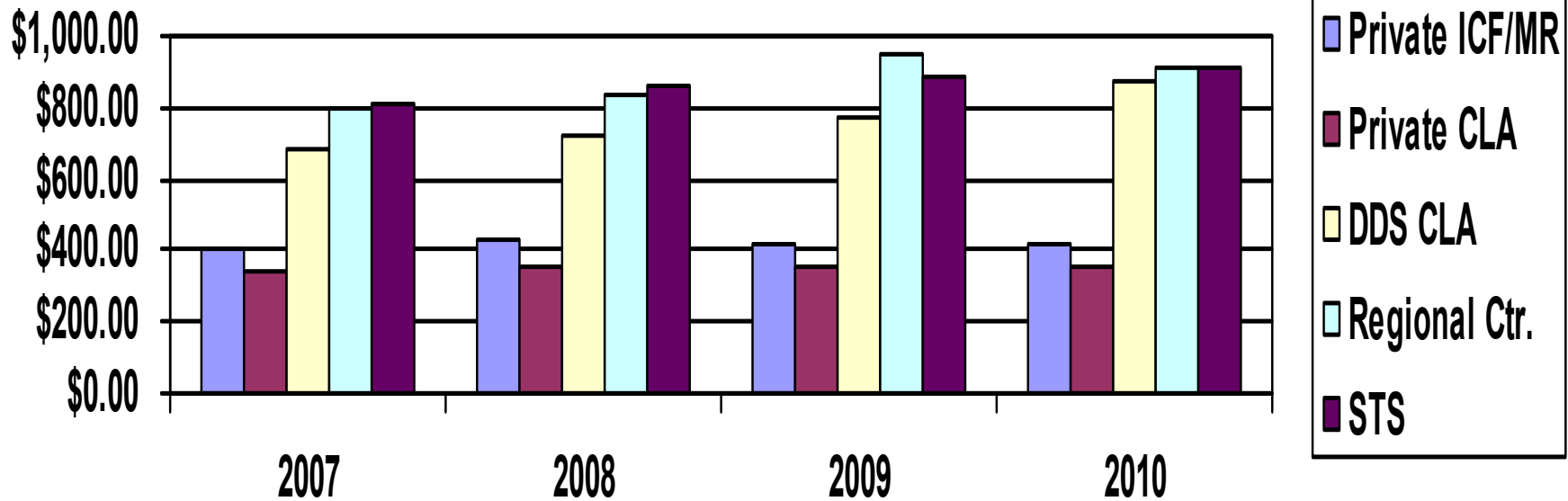
Source: DDS Cost Comparison Reports

Overall Funding by Type of Residence: FY 07 -FY 10



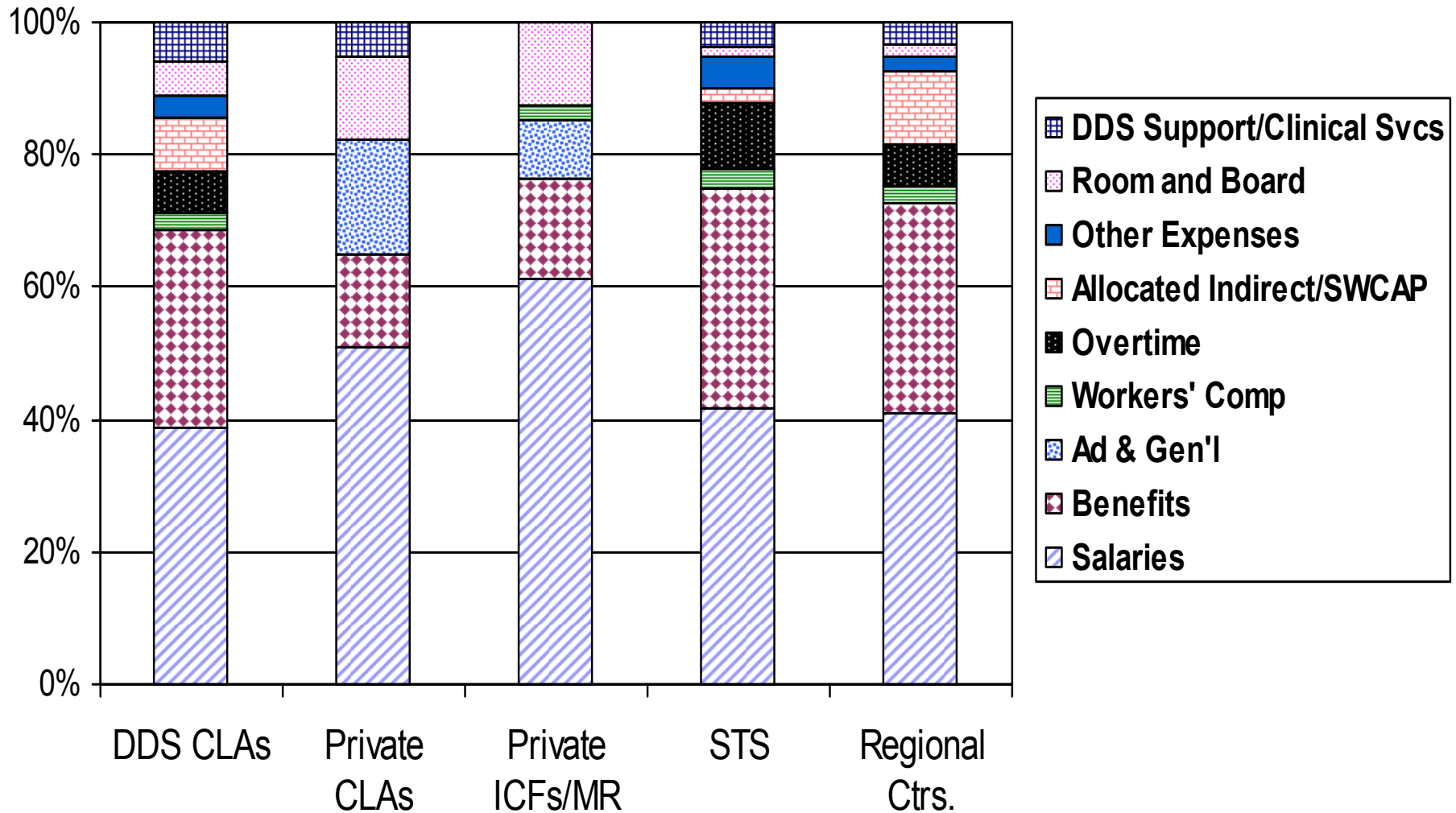
Source: DDS Cost Comparison Reports

Per Diem Cost Per-Client by Setting: FY 07 - FY 10



Source: DDS Cost Comparison Reports

Components of Residential Care Costs by Setting: FY 10



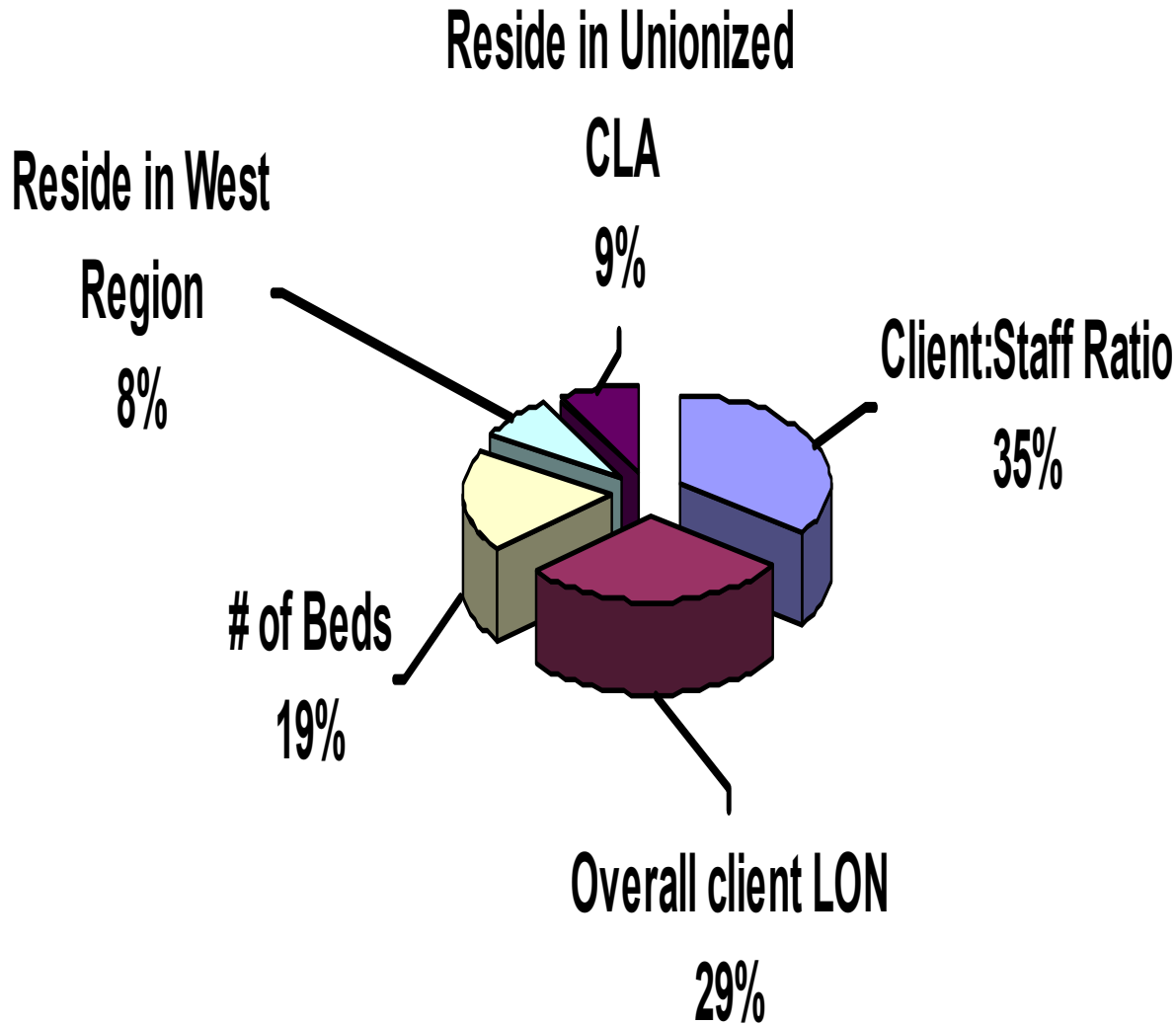
. Overall Per-Client Cost Differences Among Regions

Components	<i>North</i> (<i>n=983</i>)	<i>South</i> (<i>n=924</i>)	<i>West</i> (<i>n=834</i>)	<i>Total</i> (<i>N=2,741</i>)
DDS Program Services Costs	\$105,569	\$101,291	\$99,764	\$102,361
DSS Room and Board Costs	\$14,666	\$14,751	\$15,954	\$15,087
Total Costs ^a	\$141,698	\$140,558	\$139,375	\$140,607

^aThere are additional costs, such as one-time payments, that are not otherwise shown in this table.

Source: PRI staff analysis

Contributing Factors to Costs in Private CLAs



Residential Care and Costs

- DDS recognizes dual system costly
- Moving toward a largely private service system
 - Decrease of 223 clients (16%) in three years
 - No new DDS placements in a number of years
 - Southbury Settlement agreement implementation – 20 people moving or will be
 - DDS converted 17 homes from public to private in FY 10
 - DDS closing another five residential or work programs in this budget cycle

Residential Care and Costs

- DDS taking care of fewer clients
- DDS staff decreasing
 - RIP in 2009
 - Since July 2011 - 52 DDS workers left
 - None have been replaced
- During this period of transition to one service system DDS per diem client costs will remain high
- DDS cannot layoff – limited to attrition for decreasing staff

Residential Care and Costs

- Wait list continues to grow – 550 people with no services -- ↑13% in last 2 years
- Individual rates for clients in DDS not subject to rate-setting, and will not be under new rate structure – only private providers
- Thus, as long as dual system inequities will exist

Residential Care: Recommendations (#1-5)

- **Use same Southbury Settlement provisions with residents at regional centers**
 - **Interdisciplinary team recommendation**
 - **Rejection decisions should be revisited annually**
- **DDS continue its phasing out of providing residential care at DDS-operated facilities and homes**
 - **Use current DDS homes only for Southbury or regional centers residents transition to community**

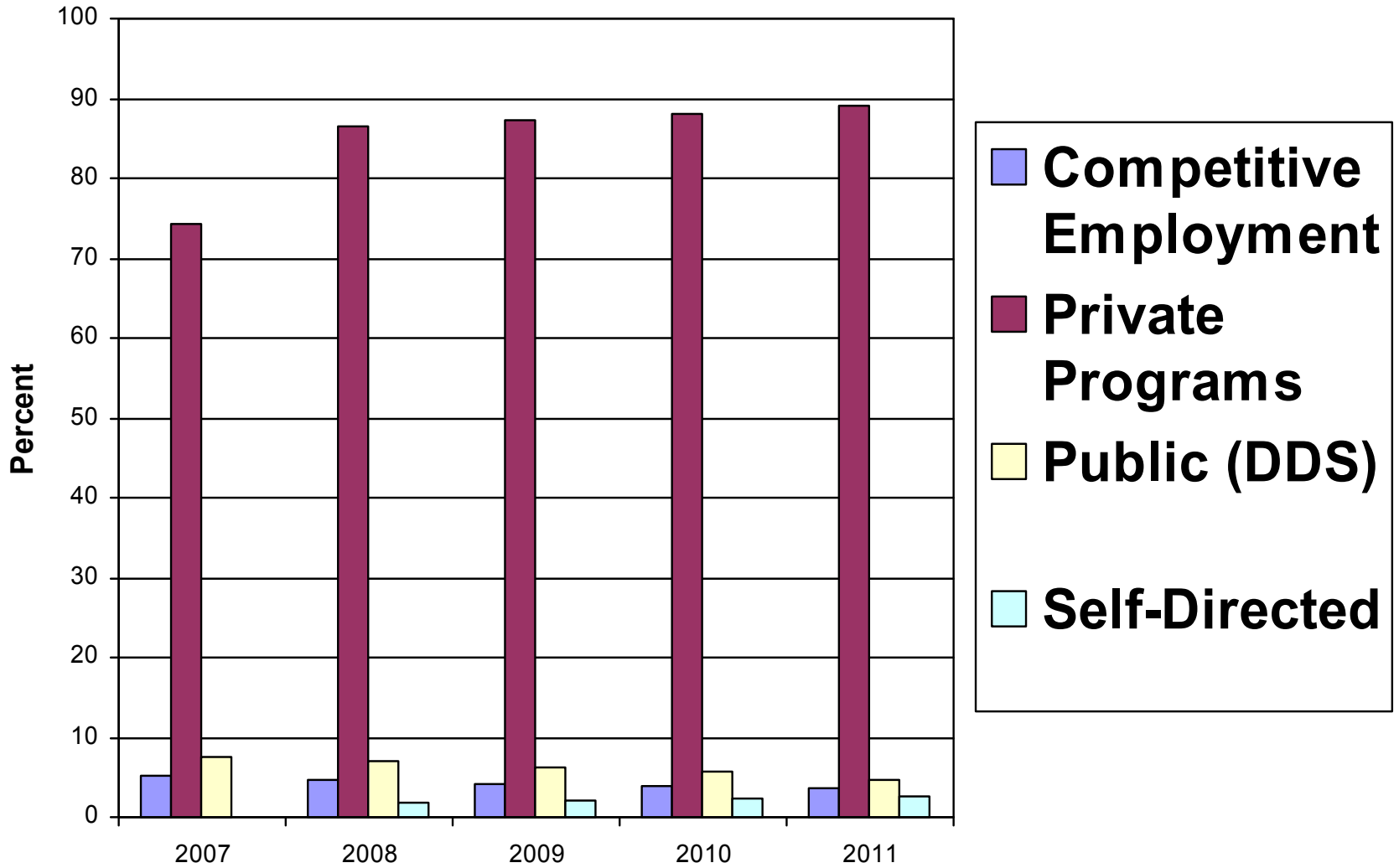
Residential Care: Recommendations (#1-5)

- **DDS should not fill any vacated direct service position in its residential programs**
- **Conduct staffing assessment at its current programs using same LON tools for clients as private**
- **Where staffing determined to be higher than the private – redeploy staff to serve clients on waitlist**
- **Only extremely hard-to-place or court-direct clients would be at DDS homes or programs**

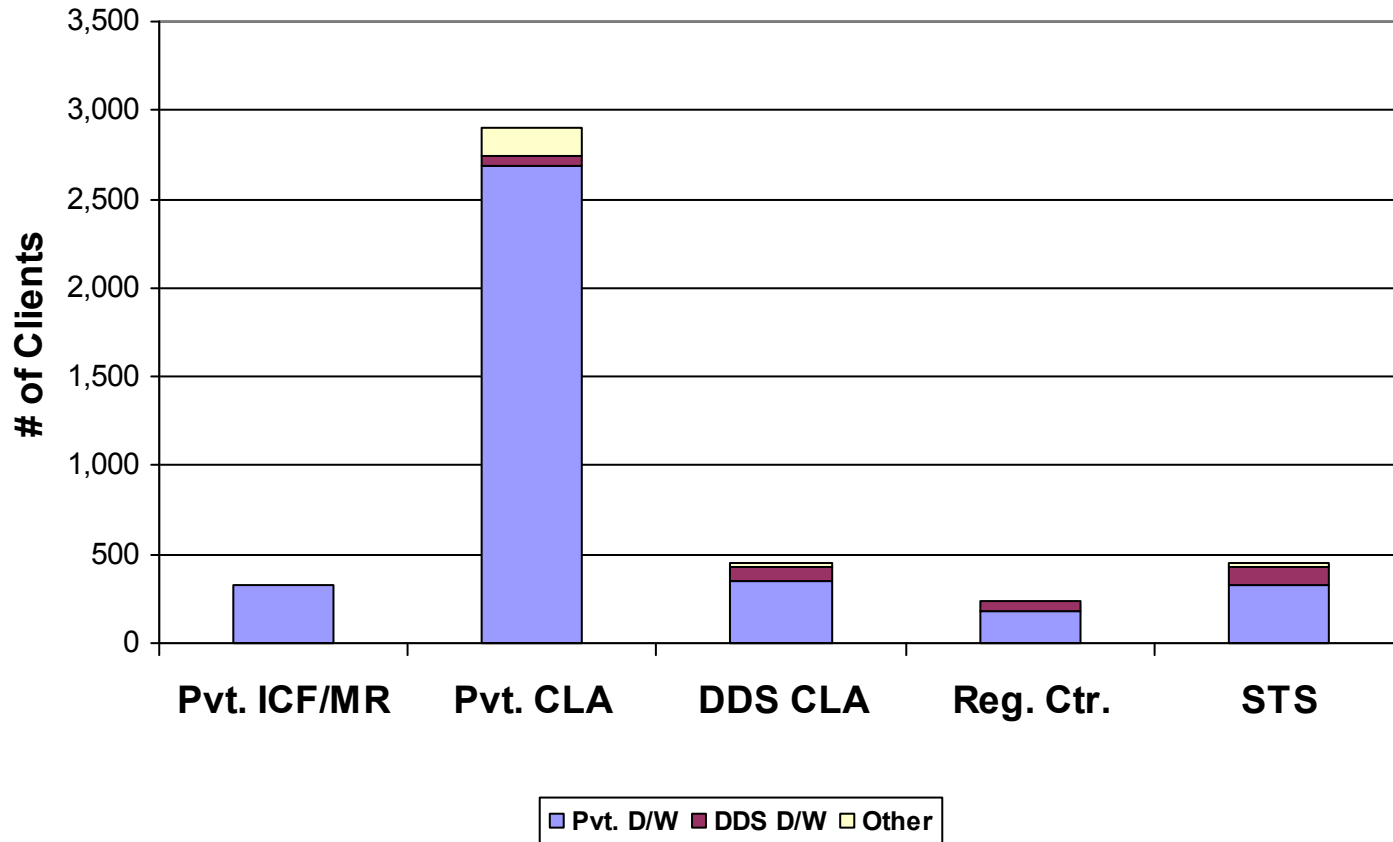
Residential Care: Recommendations (#1-5)

- **DDS should reduce its overtime by at least 10 percent as required by OPM**
- **Implement DCF recommendations to help achieve that goal**
- **Future contracting with private providers should examine salaries paid to direct care workers in light of:**
 - **Executive director salaries**
 - **Wages needed for self-sufficiency**
 - **Income levels to qualify for Husky and other assistance**
- **Future contracting should ensure providers are in compliance with filing and salary reporting**

Percentage of DDS Adult Clients in Day/Work Programs: By Category



DDS Residential Clients and Type of Day/Work Programs Attended (N=4,436)*



*Data missing for 45 clients
Source: DDS e-CAMRIS

Day/Work Program Funding Guidelines

- Adopted in 2006
- Used for limited number of clients
- Based on client level of need (1 – 8)
- Used in regions to make client funding decisions

Private Day/Work Program Cost Measures by Client Level of Need.

<i>Score</i>	<i>Level of Need</i>	<i>Recommended Maximum Funding</i>	<i>No. of Clients</i>	<i>Average Cost</i>	<i>Cost Range</i>
1	Minimum	\$11,286	50	\$14,099	\$1,452 - \$37,287
2	Minimum	\$15,048	251	\$16,825	\$1,452 - \$57,202
3	Moderate	\$18,810	400	\$19,103	\$2,906 - \$23,439
4	Moderate	\$20,691	367	\$21,412	\$1,819 - \$68,643
5	Comprehensive	\$22,572	809	\$23,229	\$1,819 - \$92,573
6	Comprehensive	\$24,453	596	\$25,083	\$2,807 – \$133,301
7	Comprehensive	\$26,334	747	\$29,086	\$4,129 – \$132,426
8	Individual Program Budget	\$28,215	58	\$44,329	\$23,288 – \$134,750
Total			3,278	\$23,938	\$1,452 - \$134,750

Source: PRI staff analysis of DDS databases

Cost of Day/Work Programs

- Only public cost was for 326 DDS clients who live at STS and receive public work/day program at STS
 - the average LON was 5.23
 - average cost for STS day/work program was \$37,202 annually
- 108 STS residents attended private program
 - the average LON of 5.05
 - average cost for these residents was \$22,554

Recommendation (#6)

- **DDS should continue to phase out the provision of public day/work programs**
- **overall goal to implement a single private delivery system for day/work services.**
- **DDS should not refill any positions that are, or become, vacant in public programs**
- **Redeploy existing staff to other direct services in the community as opportunities allow.**

Recommendation (#7)

- **DDS conduct a staffing assessment of its current staffing levels for its public day/work programs, using the day/work LON scores in the private programs as a guide for level of resources needed**
- **Redeploy staff resources over those levels to other services.**

Recommendation (#8)

- **DDS should adopt a centralized utilization review process for clients exceeding the day/work program funding guidelines.**
- **The review process should be conducted by a review panel consisting of regional directors or their designees, the DDS central office director of operations, and the central office budget director or their designees.**
- **Electronically track the results of the utilization review process so that the department can compare the number of clients exceeding the threshold in each region, the reason, and the total amount exceeded.**
- **Include information in the Management Information Report at the end of each fiscal year.**

Recommendation (#9)

- **Each client's Planning and Support Teams (PST) should review all DDS client's day/work program relative to his/her LON.**
- **The objective for each client should be that he or she is participating in the most productive, meaningful work or day program in the most inclusive environment possible.**

Cost of Care and New Rate System

- CMS requiring states to implement rate structure based on utilization of services
- Already adopted attendance based rates for private day providers as required by CMS
- Legislative Rate Study Advisory Committee created in 2009
 - unequal funding among private providers
 - did not have utilization-based funding system in place
 - did not have IT systems in place to document
 - LON assessment tool was valid instrument

Funding Guidelines

- DDS has had separate residential and day/work program funding guidelines based on LON since 2006
 - only applies to waiver clients – not to public programs or private ICFs
 - implementation to all waiver clients will begin for day/work programs on 1/1/12
 - implementation to all waiver clients will begin for residential services beginning 1/1/13
 - 7.5 year transition process before complete

Number and Percent of Clients Exceeding Residential Threshold for Private CLA.

<i>LON Score</i>	<i>Classification</i>	<i>Reg. Director Approval Threshold</i>	<i>Total Clients with Cost Data</i>	<i># over Threshold</i>	<i>Percent Over Threshold</i>
1-2	Minimum	\$33,000	237	222	96%
3-4	Moderate	\$69,000	707	476	67%
5-7	Comprehensive	\$139,000	1,892	392	21%
8	Individual Program Budget	n/a	n/a	n/a	n/a

Source: PRI staff analysis of DDS databases

Maximum Residential Funding Guidelines based on Level of Need.

<i>LO N Sco re</i>	<i>Funding Guideline</i>	<i>Total Clients</i>	<i>More than 10 percent below threshold</i>	<i>Within 10 percent of threshold</i>	<i>More than 10 percent over threshold</i>	<i>Range</i>
1-2	\$33,000	237	11 clients (i.e. below \$29,700)	8 clients (between \$29,700 – \$36,300)	218 (over \$36,300)	\$8,604 - \$204,576
3-4	\$69,000	707	133 (i.e. below \$62,100)	146 (between \$62,100 - \$75,900)	428 (Over \$ 75,900)	\$29,712 - \$247,692
5-7	\$139,000	1,892	1,318 (i.e., below \$125,100)	341 (between \$125,100 – 152,900)	233 Over \$152,900	\$25,464 - \$369,600
8	Individual Program Budget	44	n/a	n/a	n/a	n/a

Table III-5. Number and Percent of Clients Exceeding Day/Work Program Cost Threshold.

<i>LON Score</i>	<i>Classification</i>	<i>Recommended Maximum</i>	<i>Total Clients with Cost Data</i>	<i>Number over Threshold</i>	<i>Percent Over Threshold</i>
1	Minimum	\$11,286	50	35	70%
2	Minimum	\$15,048	251	142	57%
3	Moderate	\$18,810	400	178	45%
4	Moderate	\$20,691	367	164	45%
5	Comprehensive	\$22,572	809	380	47%
6	Comprehensive	\$24,453	596	260	44%
7	Comprehensive	\$26,334	747	374	50%
8	-	\$28,215	58	47	81%
Total			3,278	1,580	48%

Source: PRI staff analysis of DDS databases

Percent over Day/Work Guidelines

- DDS calculated:
 - 30% of day/work private providers are more than 8% below the LON rates
 - 54% are within 8% of LON rates
 - 16% are more than 8% over the LON rates

Recommendation (#10)

- **DDS should adopt a centralized UR process for clients exceeding the residential funding guidelines.**
- **The review process should be conducted by a review panel consisting of regional directors or their designees, the DDS central office director of operations, and the central office budget director or their designees.**
- **Electronically track the results of the UR review process so that the department can compare the number of clients exceeding the threshold in each region, the reason, and the total amount exceeded.**
- **Report information in the Management Information Report at the end of each fiscal year.**

Information Technology

- Implementation of a new IT system that merges client demographics with individual cost data is vital to the department in order to manage client costs more efficiently, identify outliers, and determine the reasons for this.
- Accuracy of client demographic information is reliant on client case manager

Data Accuracy (#11-12)

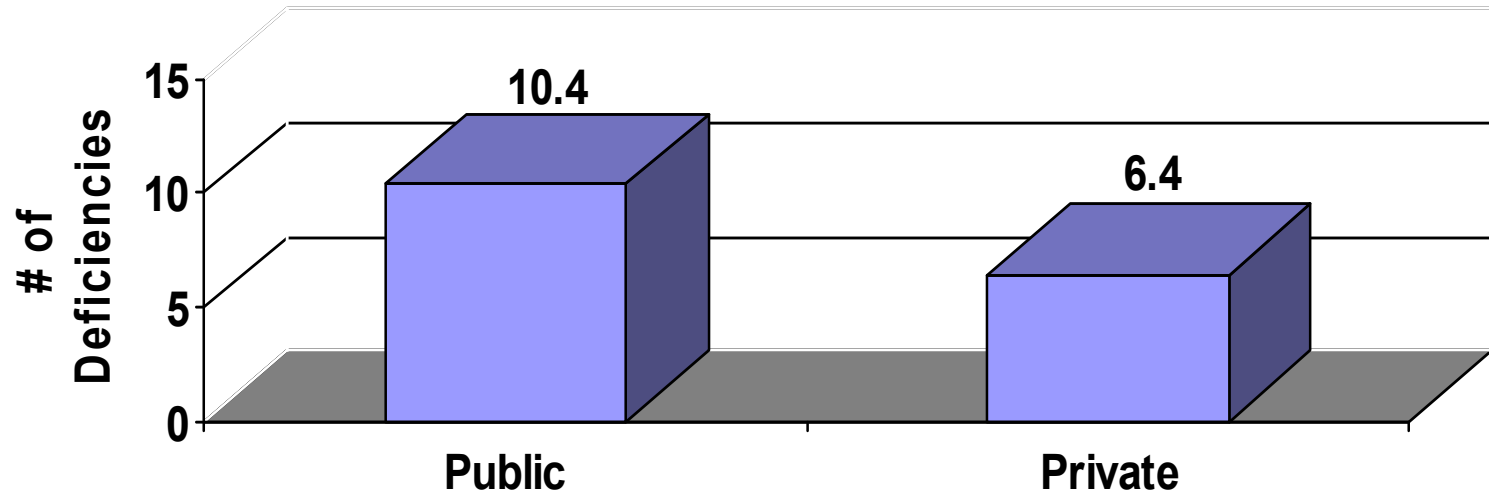
- **DDS should remind its case managers of the importance of keeping client automated records up to date.**
- **DDS should randomly audit a sample of cases in its client demographic database to ensure client information is accurate.**

Quality Assurance

- Hard to define quality
- Focused on available data
- Results of licensing inspections
 - DDS inspects and licenses all CLAs
 - DPH inspects and certifies all ICFs/MR

Quality Assurance

Number of Deficiencies for 17 CLAs Converted From Public to Private Homes FY 10



Quality Assurance

- “Plan of correction” deficiency a proxy for continued non-compliance
- 13% of private homes had that citation
- 38% of public CLAs did

Quality Assurance

- ICFs- Private – 65 facilities
 - Average of 3.0 deficiencies in private
 - 1.2 fewer than public
 - 14 of 65 had 0 deficiencies
 - 6% were cited for serious deficiencies
- ICF –Public – 30 facilities
 - Average of 4.2 deficiencies in public
 - None had an inspection where 0 deficiencies were found
 - 20% cited for serious deficiencies

Quality Assurance- Recommendation (#13)

- *Quality not inferior in private*
- *Supports move to single private system*

Recommendation:

- **Share results of inspections with clients' team as part of information and education about private community placements**

Quality Assurance – Health and Dental

- Dental services
 - Difficult to find dental care given population
 - Reimbursement rates
 - DDS ensures care through dental clinics
 - Dental Coordinator

Quality Assurance- Health Services

- DDS has comprehensive preventive health guidelines in place
- No tools to oversee whether being met system-wide
- More challenging as population eligible for both Medicare and Medicaid
- Medicare pays for most inpatient and outpatient health services
- No linkages on services and data yet
- DSS working on this (ICO) through grant

Quality Assurance

- DSS plans to focus on elderly population – also dually eligible
- Planning participants weighted to elderly
- Clients with disabilities and intellectual disabilities may have different health needs
- Need to be represented in planning stages

Quality Assurance: Recommendation #14

- **Department of Developmental Services and Office of Protection and Advocacy should ensure focus also on intellectually disabled under 65 population in ICO planning**
- **DDS should ensure model:**
 - **reduces duplication;**
 - **prioritizes preventive health care;**
 - **provides data that can track preventive care and screenings; and**
 - **that can used for quality performance measurement**

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