State of Connecticut
Department of Developmental Services

DDS

M. Jodi Rell
Governor

Peter H. O'Meara
Commissioner

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Deputy Commissioner

TESTIMONY OF THE DEPARTMENT OF DEVELOPMENTAL SERVICES ON HOUSE BILL 5018 - AN ACT MAKING ADJUSTMENTS TO STATE EXPENDITURES AND REVENUES FOR THE FISCAL YEAR ENDING JUNE 30, 2011

February 18, 2010

Senator Harp, Representative Geragosian, Members of the Appropriations Committee. I am Peter O'Meara, Commissioner of the Departmental of Developmental Services, and I am here to testify on House Bill 5018 - An Act Making Adjustments to State Expenditures and Revenues for the Fiscal Year Ending June 30, 2011. I thank you for the opportunity to appear before you today to discuss Governor Rell's mid-term budget for fiscal year 2011.

The Governor's proposed mid-term budget adjustment provides for $1,002,067,459 in direct appropriations to the Department of Developmental Services. At this time, I would like to review some highlights of the Governor's recommended mid-term budget:

Personal Services (PS):

The department's fiscal year 2011 (FY11) appropriation provides sufficient funding within the Personal Services (PS) account to adequately fund the Department's program and administrative infrastructures in order to serve the Department's consumer population.

The Personal Services account included the following reductions and transfers: (1) continued savings from the 2009 Retirement Incentive Program (RIP); (2) reduction options that were proposed by the Department and accepted as part of the budget, including reductions through the management of overtime, attrition and through building closures at Southbury Training School (STS) allowed by a reduced census at STS; and (3) a reallocation of funds to the Community Residential Services Program to partially fund the conversion of 17 public Community Living Arrangements (CLA) to privately operated CLA programs. The proposed Governor's budget authorizes 3,657 FTE DDS employees for FY 2011, a reduction of 397 employees from the 4,054 FTE employees that the Department was authorized in FY 2009.

Contracted Services:

The Governor's budget maintains funding for **Employment Opportunities and Day Services** for individuals, who have aged out of DCF services or Local Education Agency (LEA)-funded residential placements (Age Outs), including both the annualization of 73 FY10 placements and funding for 70 new individuals in FY11. It also maintains funding for Employment Opportunities and Day Services for high

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school graduates including both the annualization of 278 FY10 placements and funding for 254 new graduates in FY11.

The Governor's Budget for FY11 does make a reduction of $5,946,000 to annualize the savings associated with an FY10 change to an attendance-based rate reimbursement system for providers of day services. DDS implemented this attendance-based reimbursement system effective February 1, 2010 to absorb the rescissions made during this year in the Day Service account. While we understand it has caused concern among providers, it was the most reasonable reduction to make without cutting services to individuals. Each provider will be reimbursed their full costs for a person who attends 225 days or 90% of the time available. If the provider's aggregate attendance drops below 90%, a reduction in their monthly reimbursement will be made. The Department is meeting individually with providers who believe that this action will pose a serious hardship, and we remain open to recommendations from the Rate Study Advisory Committee regarding this aspect of rate setting and reimbursement. The Governor's budget makes a net reduction of $68,884 resulting from moving individuals, who currently are served by out-of-state services, back to Connecticut to allow for Medicaid billing for these services. Also, the annualization of six cooperative placements made in FY10 is maintained in this budget.

For **Community Residential Services**, the Governor's recommended budget continues funding for the annualization of 72 FY10 placements for persons who have aged out, and funding for 67 new individuals who are aging out. In addition, this budget provides $2.4 million for the FY10 transfer of individuals moving from public residential programs to private contracted residential programs; $13.54 million for the balance of the annualization required to fund the FY10 conversion of 17 publicly operated CLAs to operation by private residential providers; a $500,000 transfer from the Department of Social Services (DSS) for Home Health Services that will be provided by DDS to consumers who have consistent difficulty accessing these supports under the state plan; and $379,414 for individuals living in out-of-state placements who will be moving back to Connecticut to allow Medicaid billing for these services.

Early Intervention Services have been provided $9.3 million in funding for the annualization of the FY 10 shortfall. The budget also includes a $335,928 reduction to reflect the redirection of Birth to Three insurance recoveries that were formerly retained by providers.

The Governor's recommended budget reduces **Voluntary Services Program (VSP)** funding by $1,696,390. This reduction is a result of the aging out of 38 young adults into DDS adult services and the decision to only start new services for eligible applicants based on the department's available appropriation for VSP. An increase of $165,090 is included in the budget so that 14 individuals receiving VSP services can return to Connecticut to allow for Medicaid billing for their services.

Autism Division:

The Governor's budget continues to support the Autism Pilot to serve up to 75 individuals. The department is working in collaboration with OPM, DSS, DMHAS and DCF to develop HCBS waivers to serve children and adults with autism. These waivers should be ready for legislative review by May, 2010. Connecticut expects to have these reviewed and approved by CMS for implementation in October, 2010.

Overall, DDS is pleased and grateful for the maintenance of a budget that allows the important needs of those we serve to be met. We thank Governor Rell and you as legislators for making a commitment to some of Connecticut's most vulnerable citizens, individuals with intellectual disabilities and their families, and meeting many of their needs through the budget process. Again, I thank you for the opportunity to testify before you today. The Department of Developmental Services looks forward to continuing to work with the legislature throughout the session. I would be happy to answer any questions that you might have concerning DDS's portion of the Governor's mid-term budget.