State of Connecticut
Department of Developmental Services

DDS

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**TESTIMONY OF THE**
**DEPARTMENT OF DEVELOPMENTAL SERVICES**
**TO THE**
**APPROPRIATIONS COMMITTEE**

**H.B. No. 6350 AN ACT CONCERNING THE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2015, AND OTHER PROVISIONS RELATING TO REVENUE**

**February 15, 2013**

Senators Harp and Kane, Representatives Walker and Miner and members of the Appropriations Committee. I am Terrence W. Macy, PhD., Commissioner of the Department of Developmental Services (DDS). Thank you for the opportunity to appear before you today to discuss Governor Malloy's proposed budget, **House Bill 6350, AN ACT CONCERNING THE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2015, AND OTHER PROVISIONS RELATING TO REVENUE.**

As Commissioner of an agency that provides services to more than 20,000 Connecticut citizens, I appreciate the complicated task that the legislature faces during these challenging budget years, and recognize that there are difficult decisions to be made.

Since my first day on the job as Commissioner of the Department of Developmental Services, my goal has been to put the people we support and their families first in everything we do. DDS's Five Year Plan (2012-2017) that was submitted to the legislature in February of 2012 outlined a plan for how to accomplish this. We are now fully engaged in this effort. The Department and numerous stakeholders have begun working on more than half of the 25 goals outlined in the plan and the progress has been significant even given the fiscal realities faced by the state. By now, all legislators should have received a copy of DDS's new mission and vision. Simply put, the mission of DDS is to partner with the individuals we support and their families, to support lifelong planning and to join with others to create meaningful opportunities for individuals to fully participate as valued members of their communities.

The Department appreciates that the proposed budget before us for fiscal years (FYs) 2014 and 2015 reflects Governor Malloy's desire to minimize the impact of budget reductions on the most vulnerable citizens of our state. I would like to review some highlights of Governor Malloy's proposed budget as it relates to DDS.

The department's appropriation for FYs 2014 and 2015 provides sufficient funding within the Personal Services (PS) account to adequately support the Department's programmatic and administrative infrastructure and continue our commitment to the individuals and families that require and receive services.

DDS implemented a series of efficiencies in response to the FY 2013 budget adjustment. These actions include the prioritization of vacant employment positions to be refilled, closing some residential programs (consumers moved to public sector vacancies or the private sector, no public employees lost jobs due to closures), reducing respite center hours (while keeping them open) and reducing overtime. The steps we have already taken along with those outlined in the Governor's proposed budget should allow us to successfully operate within next year's PS appropriation.

In FY 2014 the department will continue to focus on increased efficiencies and oversight in residential services and supports. Specifically, additional savings will be obtained through attrition and reorganization in public residential settings which will allow for the closure of three regional residences and three residences at Southbury Training School (STS). The proposed budget also includes savings related to contracting for respite services and an audit of family grants and individual budgets.

A majority of the FY 2013 rescissions and reductions from the deficit mitigation plan are annualized in the Governor's proposed budget and impact the residential and employment and day services accounts. DDS was able to implement the rescissions in FY13 in these accounts through a variety of one time savings and provider rate changes. We will continue to work within our FY14 appropriation to minimize the impact on private providers and families who hire their own staff. We appreciate their efforts to continue to provide quality services during a challenging budget time and we are supportive of the Governor's proposal to fund the annualization of a 1% cost of living adjustment for our provider network to help ease this burden.

**Caseload Growth:**

- **Employment Opportunities & Day Services**–There are new funds provided for significant caseload growth in both fiscal years 2014 and 2015. FY 2014 funds of $9.4 million will support day programs for 290 individuals who have graduated or will be graduating from high school, and 117 individuals who are aging out of services provided by the Department of Children and Families (DCF) or local education agencies. An additional 345 individuals in day programs are funded at $7.9 million in FY 2015.

- **Community Residential Services**–There are new funds provided in this account for significant caseload growth in both fiscal years 2014 and 2015. In FY 2014, 94 individuals aging out of DCF into DDS services are budgeted for a half year at a total of $6.4 million. In FY 2015, there are an additional 101 Age Outs funded for a half year at $6.7 million. In FY 2014, there is new funding for 22 Long Term Care Money Follows the Person, or MFP, placements, 10 Non-MFP placements from Southbury Training School (STS), and 10 MFP placements from STS for a total of $2.7 million. To clarify, a MFP placement assumes the individual is moving to a residential setting for four or fewer individuals. A non-MFP placement assumes an individual will move to a residential setting with more than four individuals. A non-MFP placement most often occurs when individuals want to move from STS to live together in the community. FY 2015 includes new funding of $3 million for 17 Long Term Care MFP placements, 10 non-MFP

placements from STS, and 10 MFP placements from STS. Annualization for all FY13 and FY14 residential placements are also included in the Governor's budget.

- **Voluntary Services** –Funding of approximately $1 million is provided in FY 2014 for the transfer from DCF of 25 consumers with a diagnosis of autism spectrum disorder but not intellectual disability who are being enrolled in the new autism waiver. The state will receive approximately 50% federal reimbursement for these services which previously were completely state-funded. Funding for five case management positions will be transferred from DCF over two years in association with individuals being transferred to DDS.

- **Cooperative Placements Program** –Funding in this account provides six months of services for six new placements of individuals who come to DDS through the court system in both FY2014 and FY2015 at approximately $500,000 in each year. Annualization for FY13 and FY14 forensic placements are also included in the Governor's budget.

**Early Intervention/Birth to Three Program** – The Birth to Three Program will be transferred to the new Office of Early Childhood at the Department of Education in FY 2015. Relocating the Birth to Three System within the Office of Early Childhood will not only allow the state to better identify any gaps in services and make more informed policy decisions, but it will integrate this extremely successful program into an agency whose sole focus is on children from birth to five years of age. This change will make Connecticut a leader in the delivery of early childhood services and supports and the Office of Early Childhood will ensure that families have access to the highest quality early childhood services, preparing children for success in school and in life.

**Autism Services** – Section 27 of Public Act 11-6 required a study of issues related to the needs of persons with Autism Spectrum Disorder (ASD), including the feasibility of a Center for Autism and Developmental Disabilities. This study commenced in May 2011 led by the Department of Social Services (DSS) and included the Departments of Developmental Services (DDS), Mental Health and Addiction Services (DMHAS), Education (SDE), Children and Families (DCF) and the Office of Policy and Management (OPM). ValueOptions, the administrative services organization (ASO) for the Connecticut Behavioral Health Partnership (CT BHP), provided assistance with literature reviews, data analysis and summary documentation of the activities and findings of the ASD Workgroup Committee. The Governor's proposed budget includes $1 million in FY14 and $1.25 million in FY15 to begin to implement the recommendations of the Autism Feasibility Study. The report cites a multi-year coordinated plan to expand and improve the ASD service system through improved training for providers, professionals and families; the creation of a centralized catalogue of ASD resources; a review of current reimbursement and insurance coverage for ASD services; and increased capacity for in-home supports and social and recreational opportunities for individuals with ASD, as just some of the recommendations. The report is under final review and is expected to be released in the coming weeks.

**Account Consolidations** –The streamlining of DDS's account structure is proposed to reduce the number of accounts and provide the agency with more flexibility in executing programs. The Clinical Services and Human Resource Development accounts have been consolidated into Other Expenses and a Family Support account has been created, combining the Family Support Grants, Community Temporary Support Services, Community Respite Care Programs and the Family Reunion Program accounts.

**Federal Reimbursement**– The Home and Community Based Services (HCBS) Waiver Program allows for federal reimbursement for residential habilitation, day programs, and support services provided in the community. During FY 2012, the department generated $470.9 million in federal Medicaid reimbursement. We have recently streamlined the waiver enrollment process and eliminated a backlog of waiver enrollment applications, resulting in an increase in projected revenue of $13.2 million annually.

**Worker's Compensation**– The Workers Compensation Claims Account is level funded for both FY 2014 and FY 2015. We are currently running a deficit of approximately $650,000 for FY13. Eliminating that deficit and managing with level funding for FY 14 and FY 15 will present challenges and require aggressive claims management, increased safety loss control initiatives and prudent claim settlements, which we hope to achieve.

**Partnerships** –To further the Department's goal of providing supports and services to individuals and their families who depend on us for residential, day or respite services, DDS has relied on the professionalism, commitment and dedication of our public and private sector employees who enhance the quality of life of those individuals we are responsible to serve. Our partners, the private provider agencies, have worked in unison with the public sector to provide service to more than 20,000 consumers. I want to thank these individuals for their continued commitment to providing quality services over the years. I especially appreciate their continued commitment at a time when shared sacrifice is being required by everyone involved in state government.

Families and self advocates are also becoming strong partners with DDS and are gaining a new voice in shaping the direction of our agency's services. I am very excited to continue to build on this relationship as we move toward a shift from legacy systems to those that are person and family centered.

The Governor's recommended biennial budget calls for a total of $2.13 billion dollars for the department over the next two fiscal years. I understand that the budget process this session will be challenging, and I assure you that DDS is committed to making the most of our appropriation to recognize and address the critical support needs of consumers and their families. Thank you for the opportunity to testify today in support of the Governor's recommended budget. My staff and I would be happy to answer any questions you might have.