



March 12, 2014

Proposal from the Lanterman Coalition on the California Budget and keeping the Promise to Californians with Developmental Disabilities.

Over fifty years ago, California made a promise to this state’s most vulnerable residents. The Lanterman Developmental Disabilities Services Act sets forth the state’s commitment to the people with developmental disabilities as follows:

The State of California accepts a responsibility for persons with developmental disabilities and an obligation to them which it must discharge... An array of services and supports should be established which is sufficiently complete to meet the needs and choices of each person with developmental disabilities, regardless of age or degree of disability, and at each stage of life and to support their integration into the mainstream life of the community. i WIC §4501

Due to budget cuts over the past 30 years (See ARCA Reports) California is failing to keep its promise to Californians with Developmental Disabilities. In order to keep that promise to individuals with Developmental Disabilities living in the community and to provide a viable community alternative to persons currently living in the Developmental Centers the Lanterman Coalition makes the following budget recommendations.

Support the Plan from the Task Force on the Future of Developmental Centers

Given challenges associated with institutional models of care and a decreasing census in developmental centers, the cost of supporting each individual continues to rise and is unsustainable. Additional costs associated with the correction of deficiencies and deferred maintenance of aging facilities highlight the need to focus available resources on developing community resources, which is consistent with the recommendations in the Developmental Center Task Force report. In order to keep the forward momentum towards less reliance on institutional care, the Legislature should direct the Department of Developmental Services to develop a plan to implement the recommendations of the Developmental Center Task Force.

Down Payment of System Sustainability

The service delivery system, including the Regional Centers and vendored provider agencies, are currently unable to provide services and supports needed to protect health and safety and support integration into the mainstream life of the community. We are requesting a 5% annual increase in provider rates and regional center operations budgets as a down payment to ensure system stability while DDS arrives at a cost-based rates/budgeting system.

Begin the Work of Creating a Cost Based Rate Model

As a result of a series of budget crises California had abandoned the practice of setting rates based on reasonable assumptions about the actual cost of providing services. It is imperative that California begin the work of creating a cost based rate model for delivering services. This is consistent with the recommendation #6 of the Task Force on the Future of Developmental Centers, "Among the many issues to be considered are: 1) the sufficiency of community rates and the impact new State and federal laws and regulations may have; 2) whether current regulations can be streamlined, particularly affecting the licensing of facilities; and, 3) whether certain benefits received by DC residents as part of a DC closure process should be broadened to others in the community."

Invest in Early Start Support for Children with Disabilities

California needs to invest in the future of its youngest children who are at risk for later diagnosis of a Developmental disability. Services provided through California's Early Start program have proven to be successful in preventing and reducing the impact of Developmental disabilities. Failing to provide early intervention can result in the need to fund lifelong support services. California needs to return to providing necessary services to infants and toddlers with risk factors (i.e., low birth weight, prenatal drug exposure, a parent with a developmental disability, etc.) or milder developmental delays noted at age two, as this provides them the opportunity to reach their full developmental potential in early childhood.

Invest in Work for Adults with Developmental Disabilities

California needs to invest in the future of persons with Developmental disabilities by providing an effective path to employment. Inadequate funding of supported work and job development services has led to a decline in employment for Californians with Developmental disabilities. Employment is by far the best option to insure that Californians with Developmental disabilities are integrated into the mainstream life of the community. It provides the dignity and respect that comes with making a contribution the larger society. We request that the legislature increase supported employment services by 10%, as described in AB 1626 (Maienschein), to begin investing in employment outcomes for people with developmental disabilities.

Remove Regional Center Prohibition against Paying for Co-Pay and Deductibles

Providing timely behavioral supports to persons with Autism Spectrum Disorders (ASD) has proven to be a cost effective investment in the future of persons with ASD. These services have allowed for integration into the mainstream life of the community, while reducing the long term cost of supports for persons with ASD. The requirement that private insurance companies fund behavioral supports to persons with Autism has been successful in reducing costs to the state for those services. Unfortunately the prohibition on payment of deductibles and restriction on payment of co-payments has resulted in families having to choose between dropping their insurance coverage or discontinuing essential services due to their inability to afford the cost of the deductible or co-pays. In some cases the cost to regional centers can be even more than the cost of paying these co-pays and deductibles. We urge the legislature to remove the language prohibiting the payment of deductibles attributed to behavioral services and remove the limitations on covering co-payments for behavioral supports. To further exacerbate the problem, when children transitioned out of the Healthy Families

Program into Medi-Cal many lost access to Applied Behavioral Analysis services. We therefore recommend California covers medically necessary Behavioral Health Treatment for Medi-Cal beneficiaries.

Invest in Supporting Family Caregivers

Services provided under the Lanterman Act allow individuals to live in natural settings of their choice. Over 70% of Californians with developmental disabilities are supported in their family home, many with the assistance of services such as In-Home Supportive Services (IHSS) and regional center funded respite. These services allow families to maintain individuals at home at a significant cost savings to the state. Limitations on the number of respite hours that regional centers can authorize combined with a proposal to limit each IHSS worker's hours to forty per week will stretch many families' emotional and financial resources to the point that maintaining the individual in the family home is no longer feasible. In the interest of supporting individuals in their chosen setting and keeping families together, the Lanterman Coalition asks that the Legislature make cost-effective decisions to determine respite hours based only on the needs of each family and to allow chosen IHSS workers to provide the necessary hours of assistance to each individual.

Remove Failed Policies that Cost More than they Save

We call on the legislature to remove statutory requirements added by trailer bills beginning in 2009 that were intended to generate cost savings but in fact only served to increase provider costs for administrative and accounting tasks and decrease the funding desperately needed for actual services. Removing this language will not result in increased costs to the state while helping to improve the provider's ability to deliver quality services. We ask the legislature to remove the trailer bill language calling for the fiscal audit requirements on agencies with budgets below \$2 million, and a parental fee that cost more to determine and collect than savings generated.

Finally, a series of state and federal policy initiatives, including increases in the minimum wage, changes to federal labor regulations relating to overtime for in-home services and other mandates that add significant costs to the developmental services system. These mandatory costs must be funded. They are unrelated to the measures to build future system sustainability discussed above. We are pleased to note that the Governor included a placeholder in the January Budget to address these costs. We expect ongoing work with the Department will result in additional information from the Administration during upcoming Legislative hearings and in the May Revision and full funding of these mandates.

This Lanterman Coalition document was endorsed by the 17 major stakeholders in California's community based developmental services system: The Arc and United Cerebral Palsy California Collaboration, the Association of Regional Center Agencies, Autism Society of California, California Disability Services Association, California Supported Living Network, Disability Rights California, Family Resource Centers Network of California, People First of California, Service Employees International Union, Cal-TASH, Easter Seals, The Alliance, Autism Speaks, the Alliance of California Autism Organizations, ResCoalition, and the California Respite Association.