

CLASP

Quick Overview of the Budget as
of May 2019

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Overview

- May Revise
- Rate Study
- Assembly Sub1
- Senate Budget Sub 3
- Next Steps:
 - Conference Committee
 - Final Deal

May Revise

Key New Major Assumptions

- RC OPS increase of \$1.6 million annually for 21 statewide positions for RC oversight, monitoring, and anticipated expansion of the Family Home Agency model;
- POS increase of \$1 million annually to pay copayments, coinsurance, and deductibles for Early Start Services in compliance with federal law;
- Consistent with an earlier Spring Finance Letter, \$1.6 million annually for RC OPS, for two years, for 15 positions statewide for RC local implementation of trauma-informed services to multi-agency children;
- Provider rate increases of \$163.7 million in FY 2019-20 (January 1 through June 30) for rate augmentations. Funding begins in January 2020 and is scheduled to sunset at the end of December 2021. To be done by setting a minimum payment rate (no rate reductions will occur) for the following services:
 - ARM rate facilities;
 - Supported Living Services;
 - Family Home Agency;
 - Supported Employment;
 - Personal Assistance;
 - Transportation Assistant; and,
 - Supplemental Support.
- Annual increase in RC OPS of \$4.5 million to carry out the above rate augmentations and for increased workload related to RC transparency measures.

May Revise

- **Key Revised Major Assumptions**

- Uniform Holiday Schedule will be suspended until the end of December 2021; and,
- Best Buddies specific line item in the Budget is proposed to increase from \$1.5 to \$2 million.
- It is also notable that consistent with concerns raised by RCs, the annual budgeted salary for RC behaviorist to monitor specialized facilities was increased from \$74,000 to \$85,000.
- The items related to Family Home Agency oversight, rate increases, and RC transparency are likely to have accompanying Trailer Bill Language proposed by the Administration. Drafts of these items are not yet available on the Department of Finance [TBL web page](#), so ARCA will send further updates as those become available.

Rate Study

- It looks to be on hold for now
- DDS is saying the current proposals are being informed by the rate study.
- Components of the rate study are being considered in the May revise

Assembly Senate Budget Sub 1

- **ISSUE 5: May Revision Adjustments**

- Nancy Bargmann presented the following items.

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- **DDS Headquarters**

- DDS is planning to move to a new building from its current (antiquated) location. A single position related to record management is requested.

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- **DC Changes**

- Two Stabilization, Training, Assistance, and Reintegration (STAR) homes are proposed for Porterville Developmental Center (PDC) (in the General Treatment Area), until community homes can be developed.

- As individuals transition from Fairview DC, five units will remain open after July 1st. Due to a switch in unit types, an adjustment to state and federal funds is requested. Movement of the final resident remains on track for the end of the 2019 calendar year, and funding for those units is requested to last only until then.

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- **Regional Center Changes**

- An extra \$1M is requested to cover co-payments for Early Start services.

- \$1.1M in funds for 21 positions is proposed for oversight and monitoring of (an increased number of) Family Home Agencies.

- \$207,000 in new money is being sought as a technical adjustment for proposed Board-Certified Behavior Analyst positions.

- Updated caseload and utilization data have led to an extra \$90M being requested. This is driven by an additional caseload of 550 individuals, as well as increased use of support, miscellaneous, and respite services.

- The targeted short-term provider rate adjustment, previously reported to the ARCA Board, is accounted for here (\$163M Total Fund for the half-year, beginning January 1, 2020). It is meant to reflect, approximately, the guidance of the rate study by setting a minimum funding level. Providers with rates below that level will see increases. Those providers with rates above the estimated level will **not see a reduction**.

- The Uniform Holiday Schedule is proposed to be suspended until the end of the 2021 calendar year. Half-day billing will remain in effect.

- An extra \$500,000 for Best Buddies is requested.

Assembly Senate Budget Sub 1

- Sonja Petek raised four points on behalf of the Legislative Analyst's Office.
- For the move of DDS to a new building, a technical matter related to document storage and the use of the Dept. of General Services was noted.
- The Fairview DC proposal, she noted, was driven in part by several former residents who had to move back to the DC. There are concerns about the extra cost associated with this.
- The provider rate change uses the rate study to help identify the most underfunded providers, with an effort to create rate parity. However, she said, this misses an opportunity to begin rate reform in the system. As to the proposal in general, the LAO has four major concerns.
 - The funding proposal is modest compared to the identified funding shortfall.
 - The proposed sunset fundamentally treats services as temporary – but the services will still be needed after the funding sunsets, which will be destabilizing.
 - The proposal limits who benefits from rate increases by being targeted, instead of across-the-board. A “large share of service providers” are excluded by this approach.
 - This postpones rate reform, even though the Legislature has prioritized such an outcome. This proposal does not actually implement any of the rate reform proposals. If implementation is delayed, the LAO has concerns that momentum will be lost.
- On a more technical matter, the STAR home crisis units were meant to be one-time; the language seems to create a commitment of funding for several years that may need to be examined.
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- In public comment, Rick Rollens (ARCA) made several points.
- The Association appreciates the additional funding for specialized home monitoring.
- The proposed funding increase is positive, but for providers not included in the proposal, an 8% increase would be appropriate.
- Any sunset of funds, should only happen after implementation of the rate study.
- Delayed implementation of the Uniform Holiday Schedule is positive, but should be permanent.
- Regional center funding for implementation of various proposals will be beneficial.
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Assembly Senate Budget Sub 1

- **ISSUE 6: Trailer Bill Proposals (TBL)**
- The Enhanced Behavioral Support Homes proposal was originally a pilot; TBL to authorize a one-year extension to further analyze the homes is requested.
- Expanded admissions eligibility to Canyon Springs for individuals with complex needs is being proposed; for example, individuals with longer-term (>13 months) stabilization needs cannot currently be served in the community. This proposal would **not** expand the number of beds.
- Statutory authority is needed to allow funding of co-payments for Early Start.
- Authority is needed to make changes, such as monitoring regional centers, board governance, and consumer safety. Those proposals include:
 - More specific monitoring of performance contract measures;
 - Standardized information provided for Early Start and life-long service seekers;
 - Consistent posting of transparency data, and cross-linking to the existing Department data web page;
 - Allowing DDS to meet with regional center boards without the presence of RC staff (such as an executive director);
 - Adding board governance/management and finance experience to board composition requirements;
 - Requiring regional center boards' legal counsel not be a regional center employee;
 - Additional fingerprinting/background check requirements for various providers;
 - Giving DDS authority to impose health and safety requirements;
 - Mandating that RCs share providers' corrective action plans with DDS; and,
 - Requiring regional centers to post NCI data online.
- ***[NOTE: These proposals are still being drafted, and will be provided once available.]***

Senate Budget Sub 3

- **ISSUE 1: May Revision Adjustments**
- **ISSUE 2: Provider Rate Adjustment**
- **ISSUE 3: Regional Center Transparency and Accountability**
- **ISSUE 4: Porterville Stabilization Training Assistance and Reintegration [STAR] Facilities**
- **ISSUE 5: Population and Staffing Adjustment**
- **ISSUE 6: Early Start Co-Payments**
- **ISSUE 7: Family Home Agency [FHA] Oversight**
- **ISSUE 8: Specialized Home Monitors**
- **ISSUE 9: Caseload and Utilization Adjustment**
- **ISSUE 10: Uniform Holiday Schedule**
- **ISSUE 11: Best Buddies**
- **ISSUE 12: TBL – Enhanced Behavioral Supports Homes Sunset Extension**
- **ISSUE 13: Canyon Springs Admissions Expansion**

Next Steps: Conference Committee

Next Steps: Final Deal