



ASSOCIATION OF REGIONAL CENTER AGENCIES

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December 8, 2003

The Honorable Wesley Chesbro
Chair, Senate Budget Subcommittee No. 3
State Capitol, Room 5100
Sacramento, CA 95814

Dear Senator Chesbro:

I write on behalf of the Association of Regional Center Agencies (ARCA) in response to the Senate Budget Subcommittee No. 3 budget hearing scheduled for Wednesday, December 10, 2003. ARCA is very concerned about the mid-year budget reduction proposals and related trailer bill language regarding service to persons with developmental disabilities.

As participants in the "Lanterman Coalition," ARCA is in support of the Coalition's positions as articulated by this group of major developmental services systems stakeholders in California. Specifically, the ARCA Executive Committee has endorsed the following points:

1. Oppose suspension of the Lanterman Act
2. Oppose categorical elimination of services
3. Oppose enrollment caps and waiting lists
4. Oppose caseload caps in In-Home Support Services, California Childrens' Services, and the Healthy Families programs.

Respite Services

The proposed elimination of the in-home respite services would have a profound impact on more than 50,000 families in California. Respite care is one of the most valued services purchased by regional centers for families. It serves as a "lifeline" to those families who keep their children, both minors and adults, at home, thereby avoiding more costly residential care. The positive impact of keeping children in their own homes and communities is incalculable.

False Economy

It is our estimate that if only 15 percent of persons currently receiving respite services were placed in 24-hour community care facilities, the cost incurred to the state would exceed the estimated savings projected by the Department of Finance for eliminating respite services.

Federal Reimbursement

The Department of Developmental Services, in conjunction with other state departments and the Association of Regional Center Agencies, is working diligently to expand the Home and Community-Based Waiver services to allow California to bill the federal government for vouchered in-home respite services. We believe the state could be within twelve months of receiving approval from the federal government for this amended waiver request. Cooperation from CMS is critical to achieving this objective. Approval of this amendment would allow up to one-half of current in-home respite care expenditures to be reimbursed from the federal government.

We also wish to note that other categorical services slated for elimination are used by families as respite care alternatives. Additionally, many of these services are critical in the development of skills necessary to live and recreate in the community.

Caseload Cap

The budget proposal includes the implementation of a caseload cap effective January 1, 2004. A proposal of this nature has never been made in the history of this system which began in 1969.

Below are some of the consequences of the caseload cap proposal as described in draft trailer bill language:

- Regional centers would not be allowed to provide case management services to persons placed on waiting lists. Historically, regional center case management services have been effective in securing alternate resources when regional center funding has been limited.

- We estimate that roughly 11,000 persons would be placed on waiting lists for regional center services within one year of implementation. It is likely that some persons could wait years to receive services if the caseload cap proposal does not expire after one year.
- Regional centers would be prohibited from providing and securing services for children from ages 0 - 3 who would ostensibly qualify for California's Early Start Program. Early intervention services have been demonstrated as critical to reducing the impact and consequences that lead to developmental disabilities. Waiting lists for this population would ultimately lead to the loss of approximately \$50 million from the federal government due to California's non-compliance with federal requirements.
- Early Intervention services are especially critical for children diagnosed with autism. Recent studies by the Department of Developmental Services indicate an explosion of the number of persons with autism in the regional center system. Currently we estimate that, based on data from the Department of Developmental Services, roughly 40 percent of persons found eligible for regional center services have a primary diagnosis of autism.
- It is presumed that the number of persons residing in developmental centers would increase due to reliance by the courts on Section 6500 et seq., of the W&I Code. These sections of the Welfare and Institutions Code relate to placement of persons with developmental disabilities into developmental centers if they are found in danger to themselves or others. **We believe that large waiting lists could dramatically increase the numbers of persons admitted into developmental centers under these provisions at an average cost of approximately \$205,000 per year.**

A large increase in the developmental center population could result in California being in non-compliance with the United States Supreme Court's Olmstead decision. This decision coupled with increased health and safety issues could lead to the decertification of developmental centers and the subsequent loss of federal reimbursements.
- Regional centers could be found in contempt of court for not serving forensic clients as required by the court.

- It is unclear from the trailer bill language as to how regional centers would handle the transfer of clients between one regional center to another. Absent clear language it is possible that persons transferring from one center to another center would have to be placed on a waiting list.
- The trailer bill language provides no clear definition of health and safety needs. Lacking a clear definition will likely result in inconsistent application throughout the state and numerous requests for fair hearings.
- We are not sure if people on the waiting lists would receive services based on a first-come, first-served basis, or will regional centers need to develop prioritized waiting lists.
- No resources are provided to regional centers to implement waiting list system. At a minimum, regional centers would need computerized software development to track persons on the waiting list, staff to maintain the waiting list, and multi-disciplinary teams to determine who gets services. ARCA is working on a dollar cost associated with these additional activities.

Implementation of a caseload cap would be compromised by major initiatives scheduled to take place over the next six to eight months including the following:

- ▶ Implementation of a major computer system for regional centers (CADDIS)
- ▶ Transfer of the Habilitation Program to DDS and regional centers
- ▶ The presumed implementation of a family co-pay proposal as approved by the Legislature
- ▶ Qualifying additional persons for the Home and Community-Based Waiver program reflecting higher caseload caps approved by the federal government
- ▶ Full year impact of current fiscal year budget reductions to regional center operations budgets (\$32.6 million) thereby adversely affecting regional center staff capability for additional mandates

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Other Affected Services

Regional center services are inexorably linked to services provided by other human service agencies. The imposition of caseload caps on CCS, IHSS and the Healthy Families Program will have a major impact, in some cases life-threatening, for thousands of persons with developmental disabilities.

ARCA is in the process of attempting to determine the number of family members who would be impacted by the loss of IHSS. We also believe it is possible that this proposal could impact IHSS for persons residing in supported living. Loss of IHSS could require many of these persons to move to more restrictive living arrangements and increase costs to regional centers.

Requested Action

It is our opinion that these proposals lack substance and run counter to the intent, philosophy and spirit of the Lanterman Act. Consequently, ARCA strongly recommends the Senate Budget Subcommittee No. 3 reject the above mentioned proposals outright. In the alternative we request that no action be taken until there is an opportunity to review the governor's 2004-2005 fiscal year budget submission. We are concerned that the 2004-2005 budget submission may include additional mid-year budget reduction proposals along with additional reductions for the 2004-2005 fiscal year.

Thank you for the opportunity to provide this input.

Sincerely,

Robert J. Baldo
Executive Director

cc: Senate Budget Subcommittee No. 3 Members
Donna Arduin, Director, Department of Finance
S. Kimberly Belshé, Secretary, Health and Human Services Agency
Cliff Allenby, Director, Department of Developmental Services
ARCA Board of Directors