



# LBB-GOBPP Joint Budget Hearing DADS FY2010-11 LAR

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Department of Aging and Disability Services  
Adelaide Horn, Commissioner

September 23, 2008

# DADS Vision and Mission

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## **Vision**

Older Texans and persons with disabilities will be supported by a comprehensive and cost-effective service delivery system that promotes and enhances individual well-being, dignity, and choice.

## **Mission**

To provide a comprehensive array of aging and disability services, supports, and opportunities that are easily accessed in local communities.

# Development of the FY2010-11 DADS LAR

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- DADS provided a number of targeted activities for stakeholder input that influenced our Legislative Appropriations Request (LAR)
  - Mid February - mid March, 2008 – Stakeholders, external and internal, provided initial input into the DADS LAR through the DADS Website or via e-mail
  - April 10, 2008 – Public hearing to solicit input in development of LAR
  - April 29, 2008 – Video conference, in nine cities, allowing participation from across the state in development of LAR
  - Mid April - mid May, 2008 – The Health and Human Services Commission's (HHSC) Strategic Plan Hearings – Six locations around the State
  - June 17, 2008 – DADS Council work session to discuss and provide input on exceptional items

## FY2008-09 Issues

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- ❑ Budget Shortfall of \$93 million General Revenue (GR)
  - \$53M Federal Medical Assistance Percentage (FMAP)
  - \$20M Caseloads/Costs
  - \$20M Minimum Wage
- ❑ Federal Funding Issues
  - Length of State Plan Amendments (SPA) and Waiver approvals
  - Deferrals/Disallowances
- ❑ Department of Justice (DOJ) Investigations of DADS State Schools

# FY2010-11 Budget Issues

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- ❑ Maintaining FY2009 Service Levels
  - FY2008-09 Ramp-ups Interest Lists (IL), Full-time Employees (FTEs)
  - Non-Entitlement FMAP
  - Cost Trends (Inflation, Utilization)
- ❑ Critical Community Services
  - Promoting Independence
  - Preventing Institutionalization
- ❑ System Improvements
  - State Schools
  - Information Technology (IT)

# FY2010-11 Key Program Issues

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- ❑ Continued Movement of Individuals to the Community
  - Waiver Expansion
  - Promoting Independence
- ❑ Staffing of Critical Positions
  - State School
  - Regulatory
  - Access and Intake
  - General Administrative
- ❑ DOJ Investigations of DADS State Schools
  - Lubbock and Denton have already been visited
  - Will investigate the remaining State Schools

# DADS FY2010-11 LAR Summary Request

Description		FY 2008-09 Exp/Bud	FY 2010-11 Base Request	FY2010-11 Exceptional Items	FY 2010-11 Total Request
<b>Goal A</b>	<b>Long Term Services and Supports</b>	<b>11,549,967,574</b>	<b>11,911,278,416</b>	<b>643,881,858</b>	<b>12,555,160,274</b>
Obj 1	Intake, Access, and Eligibility	298,633,288	305,442,700	9,044,996	314,487,696
Obj 2	Community Services and Supports - Entitlement	1,810,094,409	2,019,429,956	27,838,743	2,047,268,699
Obj 3	Community Services and Supports - Waivers	2,436,908,932	2,342,441,494	410,373,372	2,752,814,866
Obj 4	Community Services and Supports - Non-Medicaid	503,484,023	505,865,622	45,839,890	551,705,512
Obj 5	Program of All-inclusive Care for the Elderly (PACE)	61,155,469	67,949,794	7,674,907	75,624,701
Obj 6	Nursing Facility and Hospice Payments	4,661,773,491	4,831,432,676	51,358,001	4,882,790,677
Obj 7	Intermediate Care Facilities - Mental Retardation	685,176,998	678,306,364	-	678,306,364
Obj 8	MR State Schools Services	1,074,280,751	1,129,969,886	21,655,374	1,151,625,260
Obj 9	Capital Repairs and Renovations	18,460,213	30,439,924	70,096,575	100,536,499
<b>Goal B</b>	<b>Regulation, Certification and Outreach</b>	<b>140,571,189</b>	<b>138,434,432</b>	<b>12,923,171</b>	<b>151,357,603</b>
<b>Goal C</b>	<b>Indirect Administration</b>	<b>142,284,123</b>	<b>135,051,238</b>	<b>1,976,380</b>	<b>137,027,618</b>
<b>Total Agency Request:</b>		<b>11,832,822,886</b>	<b>12,184,764,086</b>	<b>658,781,409</b>	<b>12,843,545,495</b>
<b>Method of Financing:</b>					
	General Revenue	4,621,723,805	4,957,824,165	282,167,131	5,239,991,296
	General Revenue - Dedicated	112,638,704	93,418,454	29,038	93,447,492
	Federal Funds	6,987,772,353	7,011,264,728	306,385,037	7,317,649,765
	Other Funds	110,688,024	122,256,739	70,200,203	192,456,942
<b>Total, Method of Financing:</b>		<b>11,832,822,886</b>	<b>12,184,764,086</b>	<b>658,781,409</b>	<b>12,843,545,495</b>

Fiscal Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
FTEs	15,063.3	14,867.6	14,563.0	14,351.7	14,322.3	14,121.2	15,318.6	16,431.0	16,431.0	16,431.0

# Exceptional Items Summary

Exceptional Item	Description	Biennial Total		FTEs		Caseloads	
		GR-R	All Funds	FY 2010	FY 2011	FY 2010	FY 2011
Baseline Request – Entitlement		3,615,705,825	8,727,088,676				
Baseline Request – Non-Entitlement		1,435,536,794	3,457,675,410				
# Total – DADS Baseline FY2010-11 Request		5,051,242,619	12,184,764,086	16,431.0	16,431.0	285,000	285,000
1 Maintain FY2009 Service Levels	Provides necessary GR funds to address FY09 Ramp-up Costs, FMAP changes, and Cost Trends to provide services at the FY2009 levels	190,682,689	440,495,003	-	-	7,607	7,622
2 Promoting Independence	Funds the transition of 500 clients from ICF/MRs and Foster Care to HCS Waiver providers	16,326,222	35,636,700	-	-	405	715
3 MR Safety Net	Restores MR, General Revenue funding to FY2003 levels	31,306,800	31,306,800	-	-	3,712	3,712
4 Prevention of Institutionalization	Provides HCS services for 196 individuals to prevent them from entering institutions	4,622,648	11,078,900	-	-	49	147
5 AAA - Benefits Counseling	Provides benefit counseling services for individuals under the age of 60	3,000,000	3,000,000	-	-	-	-
6 PACE Expansion	Funds 150 additional PACE slots	3,195,186	7,674,907	-	-	118	150
7 Hospital Level of Care	Provides required level of nursing services to recipients over 21 years of age with complex medical needs while maintaining cost neutrality of waivers	15,146,232	36,475,888	1.5	2.5	60	90
8 State Schools	Covers capital budget items related to furnishings, equipment replacement and repair/renovations at State School facilities	8,499,781	80,137,879	-	-	-	-
9 Survey and Certification FTEs	Provides additional Regulatory staff to visit all HCS residential and foster care sites	2,312,866	4,625,731	32.0	35.0	-	-
10 IT - Automation/ System Modifications	Replacement of several old "legacy" applications at DADS that are no longer supported by vendors	7,103,744	8,349,600	-	-	-	-
<b>Grand Total, DADS Exceptional Items</b>		<b>282,196,168</b>	<b>658,781,408</b>	<b>33.5</b>	<b>37.5</b>	<b>11,951</b>	<b>12,436</b>
<b>Grand Total, DADS Exceptional Items + Baseline</b>		<b>5,333,438,787</b>	<b>12,843,545,494</b>	<b>16,464.5</b>	<b>16,468.5</b>	<b>296,951</b>	<b>297,436</b>



## EI #1 – Maintain FY2009 Service Levels

- ❑ Non-Entitlement Programs that were ramping up in FY2009
  - Interest Lists
  - Staffing
  - Rate Increases (Minimum Wage)
- ❑ FMAP
  - From FY2008-09 Average of 60.00% to FY2010-11 of 58.59% and 58.10%
- ❑ Cost Trends
  - Acuity / Case Mix
  - Inflation
- ❑ Programs Impacted
  - Medicaid Waivers
  - Medicaid Entitlements
  - Non-Medicaid Services
  - Access & Intake
  - Regulatory Services
  - Central Administration

(\$ in Millions)	FY 2010	FY 2011	Biennium
General Revenue	\$86.0	\$104.7	\$190.7
All Funds	\$199.0	\$241.5	\$440.5

Individuals Served	7,607	7,622	
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## EI #2 – Promoting Independence

- ❑ This exceptional item requests \$16.3 million in GR funds for the biennium to move:

- 500 persons from large and medium community Intermediate Care Facilities for Persons with Mental Retardation (ICF-MRs)
- 120 children aging out of foster care at the Department of Family and Protective Services (DFPS)

to the Home and Community-Based Services (HCS) waiver program by the end of FY2011.

- ❑ Funding is also requested for Relocation Services for 500 Individuals (250 each fiscal year) to assist their movement into community services.
- ❑ It is imperative that the infrastructure, which provides the foundation for these programs, keeps pace with the program growth in order to ensure and protect the safety and well being of people receiving our services.
- ❑ Programs Impacted
  - HCS Waiver Services
  - Promoting Independence

(\$ in Millions)	FY 2010	FY 2011	Biennium
General Revenue	\$4.8	\$11.5	\$16.3
All Funds	\$9.8	\$25.8	\$35.6

Individuals Served	405	715	
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## EI #3 – Mental Retardation Services Safety Net

- ❑ This exceptional item restores GR funding to FY2003 funding levels for services for individuals with mental retardation.
- ❑ The restored funds will provide the following services: Independent Living, Employment Services, Day Training, Therapies, Respite, and In-Home Family and Support Services.
- ❑ Programs Impacted
  - Community Services for individuals with mental retardation
  - In-Home and Family Support Services for individuals with mental retardation

(\$ in Millions)	FY 2010	FY 2011	Biennium
General Revenue	\$15.6	15.6	\$31.3
All Funds	\$15.6	\$15.6	\$31.3
Individuals Served	3,712	3,712	

## EI #4 – Prevention of Institutionalization

- ❑ This exceptional item provides HCS services for 196 individuals to prevent them from entering institutions:

- 100 children
- 96 individuals in emergency and crisis situations

- ❑ Programs Impacted

- HCS Waiver Services

(\$ in Millions)	FY 2010	FY 2011	Biennium
General Revenue	\$1.2	\$3.4	\$4.6
All Funds	\$2.9	\$8.2	\$11.1

Individuals Served	49	147	
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## EI #5 – AAA Benefits Counseling

- ❑ To expand the scope of the Area Agencies on Aging (AAAs) to provide benefits counseling and advance life-planning services to individuals under age 60. The expansion would allow AAAs to provide individual assistance and community awareness about aging well, including assistance with public and private benefits that can support long-term care needs, including:
  - Assistance with long-term care insurance, financial planning, and the need for advance planning documents such as wills and powers of attorney
  - Community-wide awareness activities about the Long-term Care Insurance Partnership, Own Your Future and other aging well initiatives
- ❑ Programs Impacted
  - Non-Medicaid Services

(\$ in Millions)	FY 2010	FY 2011	Biennium
General Revenue	\$1.5	\$1.5	\$3.0
All Funds	\$1.5	\$1.5	\$3.0

## EI #6 – PACE Site Expansion

- ❑ This exceptional item requests 150 additional slots for the Program of All-Inclusive Care for the Elderly (PACE) program.
- ❑ DADS currently operates two PACE sites, in El Paso and Amarillo, with an additional third site in Lubbock anticipated to come on-line during FY2008-09.
- ❑ Programs Impacted
  - Program of All-Inclusive Care for the Elderly (PACE)

(\$ in Millions)	FY 2010	FY 2011	Biennium
General Revenue	\$1.4	\$1.8	\$3.2
All Funds	\$3.4	\$4.3	\$7.7
Individuals Served	118	150	

## EI #7 – HLOC Waiver

- ❑ Provides a Hospital Level of Care (HLOC) Waiver for Children Aging-out of other services. This will allow the state to provide the required level of nursing services to recipients over 21 years of age with complex medical needs while maintaining cost neutrality of waivers.
- ❑ Assumes that an estimated 39 children will have aged out by FY 2009. These children will enter the program immediately. Thereafter, program grows at a rate of 2.5 persons per month until reaching capacity (219 in 2015).
- ❑ Cost assumptions are based upon the costs for the Hospital level-of-care population in California's "Nursing Facility/Acute Hospital" 1915(c) waiver.
- ❑ Programs Impacted
  - Access and Intake
  - New Waiver program

(\$ in Millions)	FY 2010	FY 2011	Biennium
General Revenue	\$5.8	\$9.3	\$15.1
All Funds	\$14.2	\$22.3	\$36.5

Individuals Served	60	90	
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## EI #8 – State School Improvements

- ❑ DADS is a provider of services for persons with mental retardation through the operation of the State Schools.
- ❑ We are obligated to provide these services in a manner that meets the needs, safety, and well being of the residents, and ensures maintaining Medicaid certification (and thus Medicaid funding).

(\$ in Millions)	FY 2010	FY 2011	Biennium
General Revenue	\$4.2	\$4.3	\$8.5
All Funds	\$22.5	\$57.6	\$80.1

Funding is requested for:

- ❑ Physical infrastructure at State Schools to ensure ICF-MR certification. This would include:
  - Life-safety code requirements
  - Roofs
  - Heating, Ventilation, and A/C (HVAC)
  - Plumbing
  - Electrical
- ❑ The replacement of old and damaged equipment and furniture
- ❑ Increased “Best Practices” training and technical assistance at all State Schools
- ❑ Programs Impacted
  - State Schools



## EI #9 – Survey and Certification FTEs

- ❑ This item requests an additional 35 FTEs to conduct annual surveys of all 3-4 bed HCS residences and HCS Foster/Companion Care homes.
- ❑ Currently, there are 34 FTEs in the Survey and Certification Program. Each initial and annual HSC certification review includes a visit to a sample of residences of individuals who receive HCS services.
- ❑ Programs Impacted
  - Facility and Community-Based Regulation

(\$ in Millions)	FY 2010	FY 2011	Biennium
General Revenue	\$1.1	\$1.2	\$2.3
All Funds	\$2.3	\$2.3	\$4.6
FTEs	32.0	35.0	

## EI #10 – IT Automation/System Modification

- ❑ This item requests the replacement of several “legacy” applications at DADS, where either the hardware or software is no longer supported by vendors or it is not compatible with current hardware or software:

- Budget Job Number (BJN) Replacement
- The Nursing Facility Administrator (NFA) Licensure Database
- Licensing and Certification

(\$ in Millions)	FY 2010	FY 2011	Biennium
General Revenue	\$3.5	\$3.6	\$7.1
All Funds	\$4.2	\$4.2	\$8.4

- ❑ DADS also will be included in a number of HHS Enterprise technology requests, primarily the messaging/collaboration and HHS telephony projects

# HHSC's Exceptional Items Affecting DADS

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## ☐ In HHSC's LAR

- Interest List Reduction
- Nurse Recruitment and Retention
- Vehicles
- Information Technology
- Data Center Service Increased Costs

## ☐ In HHSC's Consolidated Budget

- Rate Increases for Providers and Direct-care Staff
- Staff Recruitment and Retention