



Idaho Association of Developmental Disabilities Agencies

HB 221 Medicaid Cost Containment and Health Improvement Act Position Statement

The Idaho Association of Developmental Disabilities Agencies (IADDA) strongly opposes the Medicaid Reductions recommended in the Medicaid Cost Containment and Health Improvement Act. The changes in this legislation that impact adults with developmental disabilities include cuts of over \$6.5 million in state general funds in Medicaid benefits and reimbursement reduction to statewide Developmental Disability Agencies. The total fiscal impact amounts to \$21.6 million in services. Although this is not the “blunt approach” of eliminating all DDA services, it does cut the developmental therapy services for adults by 77% from \$8.4 million general fund to \$1.9 million.

Our concerns focus on six key areas:

1. The legislation eliminates developmental therapy for the 500 adults with developmental disabilities who do not qualify for the HCBS-DD waiver. These are individuals who have a developmental disability and function at a level above 8 years of age. The only service that assists them to live in the community is developmental therapy. The average number of hours of developmental therapy these adults access is 10 hours per week.
2. The legislation sets an arbitrary age of 45 years old when an adult on the HCBS-DD waiver no longer is eligible to receive active treatment, is moved onto the Aged and Disabled waiver and loses developmental therapy. This is discriminatory and does not take into consideration the individual needs of each adult with a developmental disability. It shifts all adults at age 45 tested and functioning below 8 years of age into an adult day care program and eliminates any opportunity for them to receive skills training in their home or community settings. The number of individuals this will impact is estimated at almost 800 adults.
3. The legislation makes the temporary cuts from HB701 permanent and places these changes in statute. These temporary cuts were implemented as a result of the FY11 budget crisis. These include elimination of collateral contact and supportive counseling services, as well as, decreases to assessment and plan development hours. In addition, they disallow individuals with a dual diagnosis from accessing services from mental health and developmental service providers.
4. The legislation puts in statute the recommendation to blend rates for individual and group developmental therapy. HB190 put in statute the rate methodology for community based developmental disabilities and mental health services. The rates for these services are determined through a Department approved methodology. The current rates for developmental services are set at 82% of the target costs from 2008. The recommendation to blend rates should be a temporary measure, not conflict with the current rate methodology in HB190 and not be in statute.
5. The legislation imposes a tiered budget process for adults with developmental disabilities based on the current proposed Children’s System Redesign. This process has not been implemented and there has been no discussion with stakeholders on the impact of using a similar process for adults. The current adult budgeting process conducted by the Department’s Independent Assessment Provider sets budgets that are individualized and reviewed annually. The legislation projects a savings of \$1.1 million. Therefore, the current adult budgeting process will not be individualized to meet their medically–assessed needs.
6. The legislation sets to discharge target individuals from the institutional setting for a savings of \$1.3 million. With the proposed reductions in community based services, those individuals will not be able to live successfully in the community due to the reduction in needed supports and services.

Stakeholder Participation

The process for including our association and other key stakeholder groups in the negotiations for developing this legislation has been extremely limited. We were asked to present to the House Health and Welfare Committee on January 26th and offer suggestions on where we would “trim” our services. Our recommendation was that the legislature convene a group of stakeholders including provider associations, advocacy organizations and the Department to work together to identify short and long term cost reductions that would have the least impact, reducing unintended consequences that may jeopardize health, safety, and rights, while minimizing more costly alternatives. Rather than conducting a collaborative work group, Representative McGeachin met individually with each of the provider associations and asked for specific recommendations. On January 31st, Katherine Hansen, President of the IADDA met with Rep. McGeachin, Paul Leary, Medicaid Deputy Administrator, and Paige Grooms, Medicaid Care Coordinator and provided the following temporary short term and long term recommendations.

The IADDA supported exploring the following short term cost reduction ideas:

- 1. Extension of all or parts of the HB701 temporary rules*
- 2. Changing the weekly cap for developmental therapy for adults from 22 to 18- 20 hours*
- 3. Reviewing the non-emergency transportation funding to Developmental Disabilities Centers*
- 4. Reviewing adult day care services to assure adults with intense behavioral or personal care needs have access to individual supports*
- 5. Reviewing the possibility of creating a retirement/transition age from developmental therapy*
- 6. Reviewing the options of creating only one individual and one group rate OR one center and one home/community rate.*

In addition, the IADDA recommended Health and Welfare could reduce expenditures in Medicaid's Licensure and Certification budget in the immediate and long term by mandating National Accreditation in lieu of State Licensing and Certification for all Developmental Disabilities Agencies and placing a moratorium on new Developmental Disabilities Agencies.

Our long term recommendation was that the legislature direct the Department of Health and Welfare to convene a work group of representatives from each of the Developmental Disability Service Provider Associations and representatives from the advocacy community to begin meeting monthly to collaborate on redesigning the adult service delivery system by identifying specific long term program and system changes that would streamline services, develop natural supports, coordinate transition for children to adult services, and minimize redundancy or duplication in the system.

The proposed legislation is significantly different from any of the above recommendations offered by the IADDA. This legislation will have a devastating impact on adults with developmental disabilities, their families, local businesses and employees. It will result in:

- 524 adults with developmental disabilities losing ALL their community supports
- 769 adults with developmental disabilities ages 45 years and older no longer having access to skills training in their home or community settings
- 700+ full time equivalent employees losing employment
- Agencies throughout Idaho closing their doors and impacting rural infrastructure

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services for Idahoans with developmental disabilities
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