

ADMINISTRATOR'S STATEMENT
82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/9/2010**
TIME: **11:40:55AM**
PAGE: **1 of 5**

Agency code: **539** Agency name: **Agging and Disability Services, Department of**

INTRODUCTION

The Department of Aging and Disability Services (DADS) mission is “to provide a comprehensive array of aging and disability services, supports and opportunities that are easily accessed in local communities” DADS provides a continuum of long-term services and supports to older Texans and individuals with disabilities, licenses and certifies providers of these services and monitors compliance with regulatory requirements. Services are provided through its Access and Intake, State Supported Living Center and Regulatory divisions.

The involvement of stakeholders and coordination with HHS agencies are critical to fulfilling the agency’s mission. Through this interaction DADS is better equipped to achieve our shared goals to enhance quality of life and improve services and supports.

PREPARING FOR THE AGING OF TEXANS

Texas’ aging population directly impacts DADS service delivery. In 2010 the population of Texans 60 years or older is projected to be 3.7 million or 14 percent of the total population. By 2040, the projection is 10 million or 22 percent of the total population. To address this shift, DADS continues to develop and implement initiatives and programs, such as building community capacity to serve the aging population, promoting wellness, and increasing access to informal caregiver services.

CONTINUUM OF SERVICES AND SUPPORTS

DADS is responsible for ensuring that a continuum of services and supports is available to individuals with intellectual and developmental disabilities (IDD). It ranges from the 13 state supported living centers (SSLCs) to home and community-based services. The agency must be flexible in meeting the needs of and providing choices for those it serves and provide those services efficiently so the greatest numbers of individuals are served within available resources.

Ensuring the health and safety and improving the quality of life for persons residing in SSLCs is large part of that responsibility. The 81st Legislature took strong action in response to concerns about the quality of services provided through SSLCs and for individuals with IDD. SB 643 provides a framework for the protection and care of individuals with IDD served by public and private providers. Major elements include; fingerprint-based criminal history checks on SSLC employees and volunteers, random drug testing of SSLC employees, installation of video surveillance camera systems in SSLCs, creation of a mortality review process for persons receiving services in the IDD system, creation of a forensic facility at the Mexia SSLC, creation of an Office of Independent Ombudsman for SSLCs, expanded regulatory oversight for providers of Home and Community Support (HCS) based services and expanded training for persons providing services and supports.

In addition, SCR 77 approved the state’s settlement agreement with the U.S. Department of Justice (DOJ) regarding SSLC improvements. In 2010, court-approved monitors completed baseline reviews of each SSLC to establish a foundation from which Texas and DADS will come into compliance with the agreement. In July, the monitors began conducting compliance reviews at the SSLCs. Due to the depth and range of issues in the agreement, it is expected that DOJ involvement in Texas will continue for several years.

HOME AND COMMUNITY-BASED SERVICES

In the last 10 years, there has been a dramatic shift toward community services. These services are critical to allowing older Texans and those with disabilities to achieve and maintain independence and community integration. Demand for services outpaces available funding, despite generous increases from the legislature over the past three sessions. More than 58,000 individuals are enrolled in DADS and STAR+PLUS waiver programs, however over 100,400 individuals are on interest lists and may wait as long as eight to nine years.

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Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/9/2010**
TIME: **11:40:55AM**
PAGE: **2 of 5**

Agency code: **539** Agency name: **Aging and Disability Services, Department of**

Analyzing and anticipating trends for community programs is essential to meeting future needs. DADS and stakeholders have identified emerging issues in the provision of services, including the need to develop system-wide capacity to serve persons with high behavioral health and/or intensive medical needs.

IMPROVING LOCAL ACCESS TO LONG-TERM SERVICES AND SUPPORTS

At the local level, long-term services and supports are administered by multiple agencies with complex and fragmented intake, assessment and eligibility functions making it difficult for individuals to identify which services are available and where to obtain them. Aging and Disability Resource Center (ADRC) provide a “no wrong door” approach to services through a network of local agencies, which coordinate information and access to public and private services and support programs and benefits. DADS plans to expand the (ADRC) initiative with the goal of 20 ADRCs by 2020.

REGULATORY SERVICES

DADS impacts the lives of more than 600,000 Texans through licensing, certification and complaint investigation of nursing facilities (NFs), adult daycare providers, assisted living facilities (ALFs), ICFs/MR, home and community support services agencies (HCSSAs) and individuals providing services in facilities or home settings. These functions ensure that individuals receive high-quality services and are protected from abuse, neglect and exploitation. In FY2009, DADS regulated 1,196 NFs, 1,562 ALFs, 4,941 HCSSAs, 868 ICFs/MR and 445 adult daycare facilities. DADS conducts annual, on-site reviews of 591 HCS and 143 Texas Home Living (TxHmL) waiver contracts for compliance with program certification principles.

OPPORTUNITIES FOR BEST PRACTICES AND INNOVATION

The DADS LAR represents a comprehensive approach to meeting the present and future needs of Texans across the array of services based on input from the DADS Advisory Council and stakeholders. It also takes into consideration the base budget restrictions specified in the Legislative Budget Board (LBB) and the Governor’s Office joint LAR instructions which limit an agency’s “Baseline” appropriations request for GR-related funds to the sum of amounts expended in FY2010 and budgeted in FY2011, adjusted to reflect the full five percent reduction target identified for each agency. The instructions include exemptions allowing DADS to include in the FY2012-13 baseline request, amounts sufficient to maintain benefits and eligibility in Medicaid entitlement programs and to maintain health and human services eligibility staffing.

DADS understands the needs of those we serve and will work to meet these within a finite system of available resources. We request sufficient funding to maintain our current services and improve our systems to meet the state’s future growth.

BASELINE REQUEST

The FY2012-13 baseline request will serve an estimated 297,282 Texans with 204,334 served in community settings. The baseline request totals over \$13.3 billion in all funds (AF) over the biennium, \$5.3 billion in GR. This is a reduction of \$491.4 million in AF from the FY2010-11 base budget of \$13.8 billion. The biennial GR increase is \$598.1 million, largely due to the return of the regular federal match rates for Medicaid (FMAP) after the expiration of the ARRA Stimulus FMAP used during FY2010-11 for DADS entitlement programs.

In accordance with the instructions, the request does not include funds to serve 13,368 individuals who are currently receiving services or expected to receive services by the end of FY2011. Continuing services to these individuals will be addressed in our exceptional items.

EXCEPTIONAL ITEMS

DADS’ services and supports touch the lives of many Texans, many of whom will require long-term services and supports to achieve and maintain their independence or protect their health and safety. The requests are made to better serve individuals in the models of care they seek. DADS requests attempt to address these needs, while

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Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/9/2010**
TIME: **11:40:55AM**
PAGE: **3 of 5**

Agency code: **539** Agency name: **Aging and Disability Services, Department of**

recognizing the reality of the state's fiscal constraints. DADS exceptional item request includes 11 items that total \$511.7 million in GR, \$1.3 billion in AF and includes two types of exceptional items, those that maintain the agency's FY2011 Service Levels and those that address current and future needs.

MAINTAIN FY2011 SERVICE LEVELS

DADS has three exceptional items associated with maintaining FY2011 service levels. These three items total approximately \$421.1 million in GR and \$1.1 billion AF and will provide community-based services to 13,368 individuals.

*Replace non-recurring FMAP funding - In order to continue services to 8,090 individuals in community care programs, DADS requests \$192.4 million in GR. Increased federal funding provided to Texas as part of the ARRA allowed DADS to replace approximately \$925 million in GR, originally appropriated to DADS for Medicaid match, with enhanced FMAP funding. Since ARRA funding is not re-occurring, GR is needed to replace matching funds reduced from DADS' budget in FY2010-11 that was generated by non-entitlement services community care programs.

*Annualization of Non-Entitlement Programs - The 81st Legislature funded a significant expansion of non-entitlement community care programs (i.e. CBA and HCS), ramping-up services over the FY2010-11 biennium. DADS requests additional GR funding in FY2012-13 for the annualization of these non-entitlement community care programs. An additional \$125.5 million in GR is needed to maintain the level of services provided in FY2011, affecting 5,278 individuals.

*Address Increased Acuity and Cost – Client acuity and related cost are expected to increase by approximately \$101.8 million during the FY2012-13 biennium. Medical and other service costs have significantly increased expenditures in the FY 2010-11 Biennium. Over 90 percent of these funds will flow to agency entitlement programs.

CURRENT AND FUTURE NEEDS

The remaining FY2012-13 exceptional items are based on input from stakeholders, the DADS Council, and best practices. These eight items total approximately \$90.6 million in GR and \$279.4 million AF and include sixty new FTEs.

*Promoting Independence and Preventing Institutionalization – Individuals are most effectively and efficiently served in community settings. As a result, the legislature established dedicated community services, in line with the 1999 Olmstead lawsuit settlement. To continue this DADS requests \$31.8 million in GR in FY2012-13, to fund 500 slots for moves from large ICFs/MR and SSLCs, 192 slots for children aging out of foster care, 240 crisis slots for persons at imminent risk of entering an ICF/MR, and 100 slots for individuals at imminent risk of entering a NF. This item will allow for the creation of one behavior intervention team in each of the state's nine waiver contract areas to stabilize challenging behaviors, which might otherwise lead to institutionalization.

It would also create a pilot for Medicaid-funded entitlement community care services beginning FY 2013 with the goal of eligibility determination to deliver supports more quickly to individuals who may otherwise access NF services. Primary Home Care, Day Activity and Health Services and Community Attendant Services applicants would receive Medicaid services earlier than the current process.

*Aging and Disability Resource Centers - ADRCs provide valuable assistance to individuals who require solutions from multiple agencies. Locally-designed and tailored to the needs of each community, they build partnerships between state and local agencies and for-profit and nonprofit organizations to help individuals connect to local resources rather than relying on federal and state services. DADS established nine ADRCs (two more are planned in 2010). To continue support for the existing ADRCs (at \$100,000 each, per year) and to establish three additional ADRCs, \$3.7 million in GR is requested for FY2012-13 (\$200,000 each, per year).

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DATE: **8/9/2010**
TIME: **11:40:55AM**
PAGE: **4 of 5**

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*Specialized Residential Behavior Services – Individuals with significant behavioral issues may benefit from a placement in an ICF/MR to avoid admission to a SSLC. DADS requests \$18.8 million in GR over the next biennium to establish specialized ICFs/MR across the state to provide intensive, short-term (three to six months) behavioral support services. Funding would provide two specialized 6-bed ICFs/MR in the 12 SSLC areas.

* Protecting Vulnerable Texans – To enhance efforts to protect the health, safety, and welfare of individuals receiving services DADS requests \$8.4 million in GR for regulatory staff and automation support. Agency resources do not currently match growth in the number of entities for which DADS provides oversight. Funding is requested to increase FTEs for waiver survey and certification reviewers and quality monitors (9 in FY12 and 15 in FY13). Adding one FTE to the Long-Term Care Ombudsmen Program and contracting for 28 ALF Ombudsmen would increase the protection of and advocacy for people living in ALF's.

Several of the DADS automation systems are outdated and inadequate to sustain DADS' daily operations. Funding would specifically be used to upgrade the agency's licensing and waiver automation systems. Technical support is no longer available and replacement is necessary to ensure timely funding of provider contracts and return of license applications.

* Strengthen Contracting for Community Services – The number of community-based clients has risen in recent years with additional funding from the legislature. In order to improve the fiscal oversight of contractors and strengthen billing and payment review functions DADS requests \$4.0 million in the next biennium to provide 38 regional oversight and accountability positions. In addition, the number of guardianship contractors that require monitoring and complaint investigation has increased from 5 to 10 and the geographic area covered has increased from 24 to 87 counties. Two additional FTEs would ensure vigilant oversight of these contracts.

* State Supported Living Centers (SSLC) –The State's 13 SSLCs serve 4,400 residents and include facilities for medical services, therapy, vocational programs, and other services. Residential and programming support buildings can be up to 100 years old with the newest buildings at approximately 35 years old. DADS requests \$14.0 million in GR and \$70.6 million in bond proceeds for the biennium to finance a number of initiatives to maintain and operate SSLCs. This item includes critical life/safety repairs and renovations, a 10-year replacement plan for vehicles, para-transit wheelchair capable vehicles, cost increases for medications and food, electronic health record software, lease PCs for 1,500 workstations, and replacement of damaged furniture and equipment.

* Technology to Improve Service Access – To improve client service access DADS requests \$2.9 million in GR funding. DADS received funding in FY2010-11 to consolidate the SAS and the MR CARE service authorization processes into a Single Service Authorization System however, due to delays in obtaining federal funding, the project is approximately one year behind schedule. Funding would allow DADS to continue consolidation of its current legacy systems. To streamline communications with contractors DADS would create a web-based provider enrollment process. Currently, potential community services contractors complete 12 forms to enroll as a provider. DADS staff manually process applications, leading to a paper-intensive process conducive to errors, omissions and time-consuming back-and-forth efforts to complete enrollment.

* Program of All-Inclusive Care for the Elderly (PACE) – PACE sites provide care through an integrated managed care systems for aging individuals and those with a disability. Using a comprehensive care approach, PACE offers an array of services at a capitated monthly fee and provides all health related services. Currently, Texas has three PACE sites that share approximately 1,170 slots. To expand this program DADS requests \$6.9 million in GR over the FY2012-13 Biennium, adding 50 additional slots for the three current PACE locations and adding two sites funded to serve 200 clients each, to be phased in during FY2013.

HHSC's LAR and the HHS Consolidated Budget will include a few DADS related items. First, an expansion of community care services, including a 20 percent reduction in the HCS and Community Living Assistance and Support Services interest list and a 10 percent list reduction for other community care programs. The estimated cost for

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DATE: **8/9/2010**
TIME: **11:40:55AM**
PAGE: **5 of 5**

Agency code: **539**

Agency name: **Aging and Disability Services, Department of**

this expansion is \$218.1 million in GR to serve almost 8,900 individuals. Second, HHSC will request \$20 million in GR for the recruitment and retention of MR Assistants (MRA's), Licensed Vocational Nurses and Registered Nurses. Third, HHSC will seek \$1.1 million GR for DADS information resources security. Last, HHSC will provide information to the legislature regarding provider rate increases in the HHS consolidated budget.

We appreciate your consideration of our Legislative Appropriations Request and we look forward to working with the 82nd Legislature to address the needs of Texas' citizens who are aging and have disabilities.