

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department on Disability Services



Testimony of
Laura L. Nuss, Director
The Department on Disability Services
FY 2015 Budget Hearing
The Committee on Human Services
The Honorable Jim Graham, Chairperson
Friday, April 11, 2014

Good morning, Chairperson Graham and other members of the Committee on Human Services. For the record, I am Laura Nuss, Director of the Department on Disability Services (DDS). I am joined today by Delicia Moore, our Agency Fiscal Officer, Cathy Anderson, Deputy Director for the Developmental Disabilities Administration (DDA), and Andrew Reese, Deputy Director for the Rehabilitation Services Administration (RSA). I appreciate this opportunity to come before you today and present the Fiscal Year 2015 proposed budget for DDS. I have prepared and submitted to the Committee written responses to each of your questions related to the proposed FY 2015 Agency budget and my written testimony will provide you with a general overview of the proposed budget.

DDS Proposed Budget

Mayor Gray's proposed FY 2015 budget for DDS represents his continued commitment to support persons with disabilities to lead meaningful and productive lives in our community and to support our continued efforts to exit the 38 year-old

Evans class action. This budget represents an overall gross increase of 65.3%, or \$62,455,361 as compared to the approved FY 2014 budget. Of that amount, \$51,267,532 is a transfer from the Department of Health Care Finance (DHCF) to DDS representing the local match for the IDD Home and Community-based Services (HCBS) waiver program, and \$6,641,652 represents a technical adjustment to also go to the local match for the IDD waiver program to support the increases in the D.C. Living Wage. I will address those two items in more detail later in my testimony.

The percentage increase for the Current Services Funding Level increase is 3.6%, or \$1,998,258, over the approved FY 2014 local funds budget. The increased funding has been applied to salary, step and fringe benefit increases for the non-management staff, increases in our fixed cost budget items and to systems change investments in person-centered thinking and “Employment First” in DDA. Mayor Gray had also supported our request for additional personnel for DDS in FY 2014 with temporary funding to effectively administer our expanded performance management system to meet compliance requirements for the *Evans* class action and the Centers for Medicare and Medicaid Services, and, to retain a communications staff person. Those seven (7) FTE’s are included in the FY 2015 budget as a technical adjustment in the amount of \$818,613. Six (6) of those positions are located in the Office of the Director and one position is located in DDA to restore the Operations Manager position.

The proposed FY 2015 budget includes local, federal and Medicaid funding for 431 FTE’s. This represents an increase of 18 FTE’s overall. In addition to the seven (7) locally funded FTE’s addressed by the technical adjustment, the budget includes eleven (11) new FTE’s for the Disability Determination Division (DDD). DDS completed an analysis of the use of contract personnel and determined that

the functions were on-going activities that should be performed by District FTEs. These positions are 100% funded by federal funds from the Social Security Administration. DDS currently has thirty-three (33) vacancies that are actively being recruited: five (5) locally funded positions in AMP; five (5) locally funded positions in DDA; nine (9) 80% federally funded positions in RSA; and, fourteen (14) 100% federally funded positions in DDD.

DEVELOPMENTAL DISABILITIES ADMINISTRATION

The Developmental Disabilities Administration (DDA) now serves 2,205 people which is a net increase of thirty-six (36) people seeking and receiving services since the close of the previous fiscal year. Today many more people enjoy the full benefits of community living and I am proud to report that today 1,584 people receive home and community-based services through the DDA HCBS waiver program. Additionally, of the 1,355 adults who receive residential support services to live outside of the family home, 74% do so through the waiver program today. That means that the District has reduced its use of institutional ICF/IID residential services by 44% since the end of FY 2008. The waiver program continues to be a less expensive alternative to ICF/IID services by \$129,543 per person.

The DDA IDD HCBS waiver program is a Medicaid-funded program with the local and federal service budget (*i.e.* residential staffing, therapies, day and vocational services, etc.) previously located in the DHCF budget. In the FY 2015 budget, the local match for this program is transferred to the DDS budget for greater transparency and accountability. DDS and DHCF are preparing a waiver amendment at this time to make several changes to the waiver program to improve access to and quality of services, and to increase residential service rates to keep

pace with the D.C. Living Wage. The transfer of \$51,267,532 for the local match (30% on the dollar) for the FY 2015 waiver budget accounts for continuing services, an additional fifty (50) people who are expected to need waiver services in FY 2015, the addition of nursing services provided in day programs to support people with complex health care needs, an increase in rates for therapy services to align with rates paid by the Early Intervention system and thereby increase access to qualified professionals for adults with IDD, and a 1.3% increase (Market Basket inflation rate for Medicaid long-term care services) for the remaining services that have not had a rate increase in six (6) years.

Residential services operated under the waiver program are identified in the 2006 D.C. Living Wage Act as being required to comply with this law. This is notable as all other Medicaid provider agreements are exempt from the Living Wage Act except for IDD residential services and home care services. To increase rates for those services to account for the D.C. Living Wage for FYs 2014 and 2015, a technical adjustment of \$6,641,652 has been included to support the local match that will be required to fund the waiver program in FY 2015.

The DDA FY 2015 service related budget not attached to the waiver match is \$34,731,484, an increase of \$1,322,899 over FY 2014. The room and board portion (*i.e.* rent, utilities, food, supplies, equipment, etc.) of the funding for residential services is locally funded and is located in the DDA budget under Object Class 50. DDA also uses local funds to support people who need day, vocational, nursing, health care and residential supports while the person is not Medicaid eligible, and to provide funding for services delivered in settings not eligible for Medicaid. The FY 2015 budget for those residential and non-Medicaid eligible services is \$29,404,847, which is a \$687,475 increase over FY 2014 budget projections. The FY 2015 budget also includes an on-going commitment to

the hard work that DDS has done since its inception to make dramatic improvements in the services and supports provided on behalf of people with intellectual and developmental disabilities. As such, \$4,884,038 is dedicated to continuing support to the DDA service delivery system in the form of health care supports, health care coordination, medical and psychiatric consultation, behavioral health services, external death investigations, adaptive equipment repair and acquisition and quality improvement initiatives. This on-going commitment is critical to demonstrate the District's determination to ensure high quality services as required by the *Evans* class action and CMS are maintained. The remaining \$442,599 is utilized for contract service coordination services to maintain required caseload ratios when DDA experiences vacancies, travel costs for service coordination activities for people served in out of District locations and sign language services.

These investments in DDA services and DDS administrative personnel have been, and will continue to be, critical in exiting the 38 year-old class action now known as *Evans v. Gray*. DDS has been found in compliance with 43 (plus one additional partial approval) of 70 compliance criterion in this case, is awaiting the Special Master's decision on the District's recent certification of compliance for the Quality Assurance Program (four exit criteria) and one additional exit criterion in Service Coordination, and has notified the Court Monitor of our intent to assert compliance in the remaining exit criteria on or before June 30, 2014. The results of the final joint monitoring determining our compliance on the remaining outcome criteria is expected in late May/early June, and should set the stage to fully conclude this case by the end of calendar year 2014. I would like to state for the record my deep appreciation to the Mayor and this Committee for the significant financial, programmatic and political support for our collective successful effort to

significantly improve these critical services for residents of the District, and bring this class action to a long overdue end. DDS's significant progress in achieving compliance with *Evans* is also reflected in the budget by way of continued decreases in court supervision costs. In FY 2013, court supervision was budgeted at just over \$1 million dollars. That was reduced to \$675,000 for FY 2014. This year, court supervision costs are reduced by more than half to \$328,000 for FY 2015.

I would also like to note that DDA uses Medicaid administrative services reimbursement to help fund DDA personnel and direct services. DDA projects an increase of \$1,160,000 of Medicaid revenue in FY 2015 that decreases the need to rely on local funds. Finally, DDA was selected to participate in the federal Administration on Developmental Disabilities' Supporting Families Community of Practice and as such has established a budget line item of \$10,000 representing this grant funding. These funds are used to pay for travel and stipends for families and self-advocates to participate in the community of practice planning and implementation. The goals of this project are to develop an Individual and Family Support waiver program, introduce self-determination in DDA services, advance the principles of the proposed DD Reform Act of 2010, and explore expanding services to families with children who have intellectual and developmental disabilities in the District. Mayor Gray has included Budget Support Act legislation to support this effort and I would certainly appreciate your support.

REHABILITATION SERVICES ADMINISTRATION

The Rehabilitation Services Administration is actively serving 7041 individuals, already a 7% increase over the number of persons served at the close

of FY 2014. This number will continue to grow as RSA is receiving an additional 370 new referrals on average each month. The increase in referrals is credited to RSA's increased presence in the community with staff at thirty-one (31) locations throughout the District as well as to more aggressive outreach efforts, and a doubling of our resources dedicated to transition services to youth in high school including D.C. Public Schools, public charter schools, and private school placements as well as those involved with CFSA and DYRS.

RSA has undergone a tremendous transformation in the past twelve months. RSA has successfully recruited highly qualified staff and now has only one vocational rehabilitation counselor vacancy located in transition services. We have recruited counselor, supervisor and management professionals from across the country, and promoted high performing District employees. RSA met five of six federal compliance targets, and the single exception, average starting salary, is one that is an inflated target because of the high wages found in the DC metropolitan area. We have doubled the number of staff dedicated to transition services for youth and have already seen an increase of 120 referrals on average each month from all schools and agencies. We are currently working with 750 new transition aged youth which represents a 29% increase over FY 2014 so far.

The RSA proposed FY 2015 budget includes an increase of \$148,792 in local funding for personal services to cover increases in non-management personnel salaries and fringe benefits. RSA overall budget in federal grant funding in FY 2015 remains flat. The total budget for RSA in FY 2015 is \$22,837,000.

In the FY 2015 budget DDS has separated the Disability Determination Division (DDD) funding from the RSA budget to increase transparency. This represents a decrease of \$7,787,000 (the FY 2014 budget for DDD) from the RSA

budget line item in FY 2015. The DDD budget has increased to \$8,557,000 for FY 2015, and continues to be 100% federally funded by the Social Security Administration.

In closing, I am very pleased with Mayor Gray's proposed FY 2015 budget for DDS and I reiterate our expectations that we will be able to continue to meet the needs of people with disabilities to live inclusive lives and contribute fully to our community.

I am happy to answer any questions at this time.

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