Frank D. Lanterman Regional Center

Changes to the Lanterman Act, 2011
Budget Update
2012 Performance Plan
Results of 2011 Performance Plan

A Report to the Community
September 2011

A Little Background: How did we get here?

Brief History: Regional Center Funding

- 1985: The State Supreme Court affirmed that the Lanterman Act defines an entitlement.
- 1985: California began to seek out federal funds to replace state funding to Developmental Services System.
- For several years thereafter, the legislature expanded the entitlement, increased the types and number of services available and led to increased expectations on the part of clients and families.
- 1991: The recession led, for the first time to the use of unallocated reductions by regional centers.

Regional Center Funding

- 1992: Increasing state deficits led to regional centers losing 23% of their funding; that same year, the legislature passed SB1383, significantly increasing the range of services and supports available to clients and families.
- 1993: The state authorized involvement in the federal Part H Early Intervention Program, giving children under age 3 and their families access to a wider range of services.
- In late 1990s, the economy recovered, but funding lost by regional centers in previous years was never restored.

Regional Center Funding

- From the early 90s until today, regional centers and providers have received no cost of living raises.
- In 1998, the Legislature passed a law requiring DDS to address inequities in rates; this “system reform” activity was never completed.
- 2003: Rate freezes were instituted for most community-based services.
- 2008: Programs for which rates were previously negotiated would henceforth be held to a median rate.
- 2009: A 3% across the board rate reduction was applied retroactively to most service providers and regional centers. An additional 1.25% reduction was added the following year and continues.

Brief History: Eligibility

- 2003: The eligibility for regional center services was changed from requiring substantial impairment in 2 areas to requiring impairment in 3 areas.
- 2009: Regional centers were allowed to purchase only services required under the Federal Early Intervention Program for children age 0-3.
- 2009: Criteria for eligibility for Early Start were made more restrictive; less seriously delayed children were placed in a Prevention Program which did not include purchase of services.
- 2011: The Prevention Program was replaced with the Prevention Resource and Referral Service operated through Family Resource Centers.

Changes to the Lanterman Act from the 2011 Trailer Bill AB 104

Note

Trailer Bill Language included an intent to implement “best practices” in services and administrative practices. While some of the changes which were eventually made will have a positive impact on the system, virtually all of them were designed with a primary purpose of lowering costs.

Prevention

- The current Prevention Program is phased out.
- Prevention is replaced by an “at-risk baby” program to be provided through Family Resource Centers.
- Children in this program continue to receive no purchased services and no longer have service coordinators (SCs); they are only eligible for information, referrals and resources.
- LRC at-risk babies will be served through KYRC where staff have experience as SCs.

Behavior Services

- Behavioral service providers currently use paraprofessional behavior assistants. AB 104 allows even lesser qualified paraprofessionals to be employed by providers to deliver in-home behavior services.
- Parents must submit attendance forms monthly to verify dates, times and locations that behavioral service providers worked with their child.

Supported Living Services

- SLS clients sharing a home may be required to share an SLS worker for common tasks.
- Regional centers must obtain independent assessments for clients whose supported living costs exceed 125% of state average.
- A number of additional changes had been made in prior years.

Adult Day Programs

- Day programs may only bill for half day if the client's attendance is less than 65% of normal program day.
- *Senior Programs* and *Custom Endeavor Options*, created last year, are phased out. These programs were intended to save money; no clients selected them.
- Two new day services, are implemented, both of which are intended to reduce costs:
  - *Tailored Day Service*: Limits rate and number of hours such that services do not exceed 4/5 of the cost of the vendor's current day services.
  - *Vouchered Day Service*: Allows use of vouchers to replace traditional day program; rate is limited to $13.47 which includes transportation and taxes related to employment; service may not exceed 150 hours per quarter.

Other Services

- The IPP must include a Transportation Access Plan if the regional center is purchasing specialized transportation services for the client and if the client is able to access public transportation.
- In certain circumstances, regional centers may not purchase day and transportation services if the client is still eligible for these services from the school district.
- In certain circumstances, regional centers may pay a group home a lower rate if a client no longer requires the level of service provided by that home but wants to remain in the home.

Changes for Families

- Families must provide copies of health benefit cards (Medi-Cal, Medicare, Tri-Care, private insurance) at intake and at annual review.
- Families of clients under 18, living at home, not eligible for Medi-Cal and not subject to Family Cost Participation will be assessed an Annual Program Fee:
  - If income is greater than 400% of the Federal Poverty Level but less than 800% of FPL, the fee is $150
  - If income is greater than 800% of FPL, the fee is $200.

Changes for Service Providers

- The 4.25% across the board rate reduction is continued and extended to many service providers that were previously exempted.
- Providers must begin billing regional centers electronically.
- For certain providers, no more than 15% of funds received from regional centers may be devoted to "administrative costs."
- Service providers billing more than certain amounts from regional centers must obtain an annual financial review or audit.

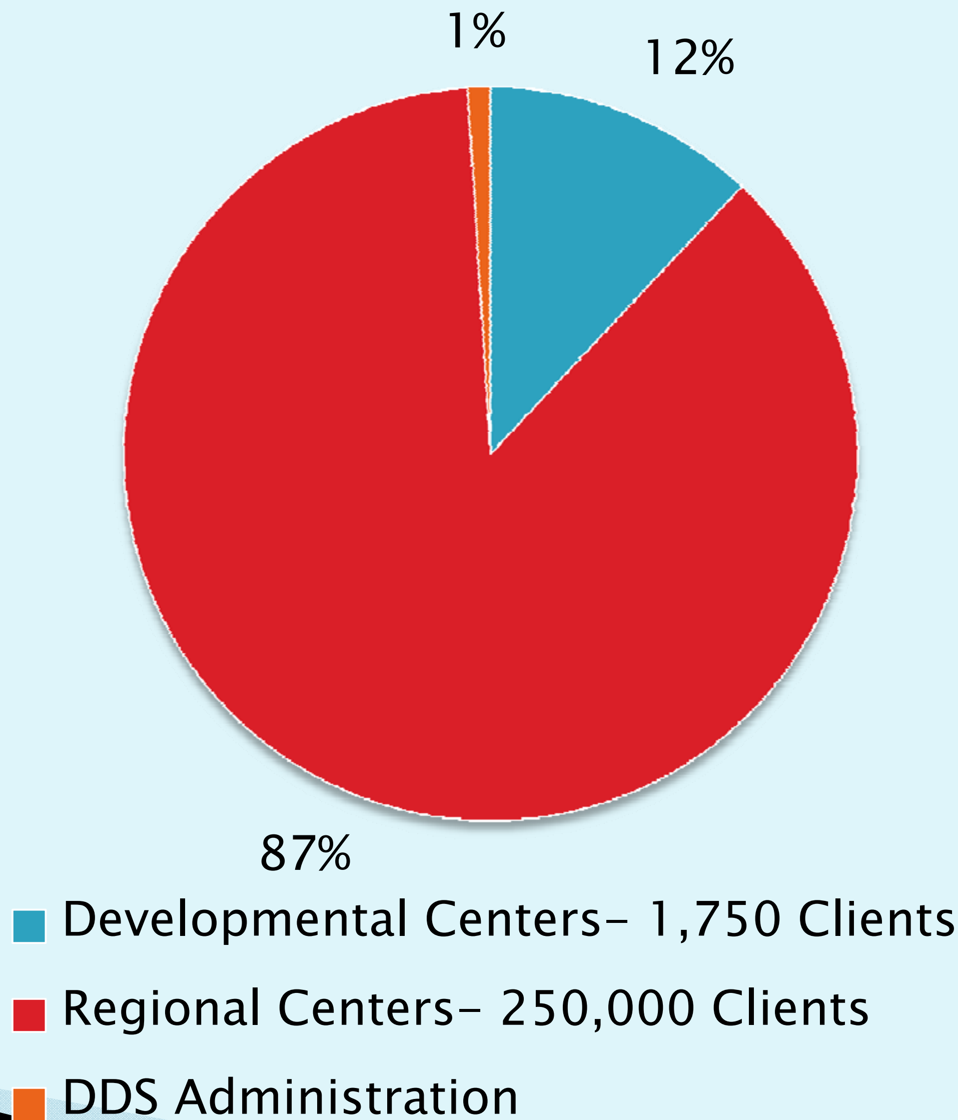
Changes for Regional Centers

- The 4.25% budget reduction continues.
- Regional centers are subject to a variety of new "accountability and transparency" requirements intended to save money but which actually add to the costs of doing business.
- No more than 15% of a RC budget may be devoted to "administrative costs." RCs must monitor service providers to ensure that they also observe this limit.
- RCs must ensure that service providers obtain an annual financial review or audit.
- SC caseloads have increased and will continue to increase with continued reductions to regional center budgets.

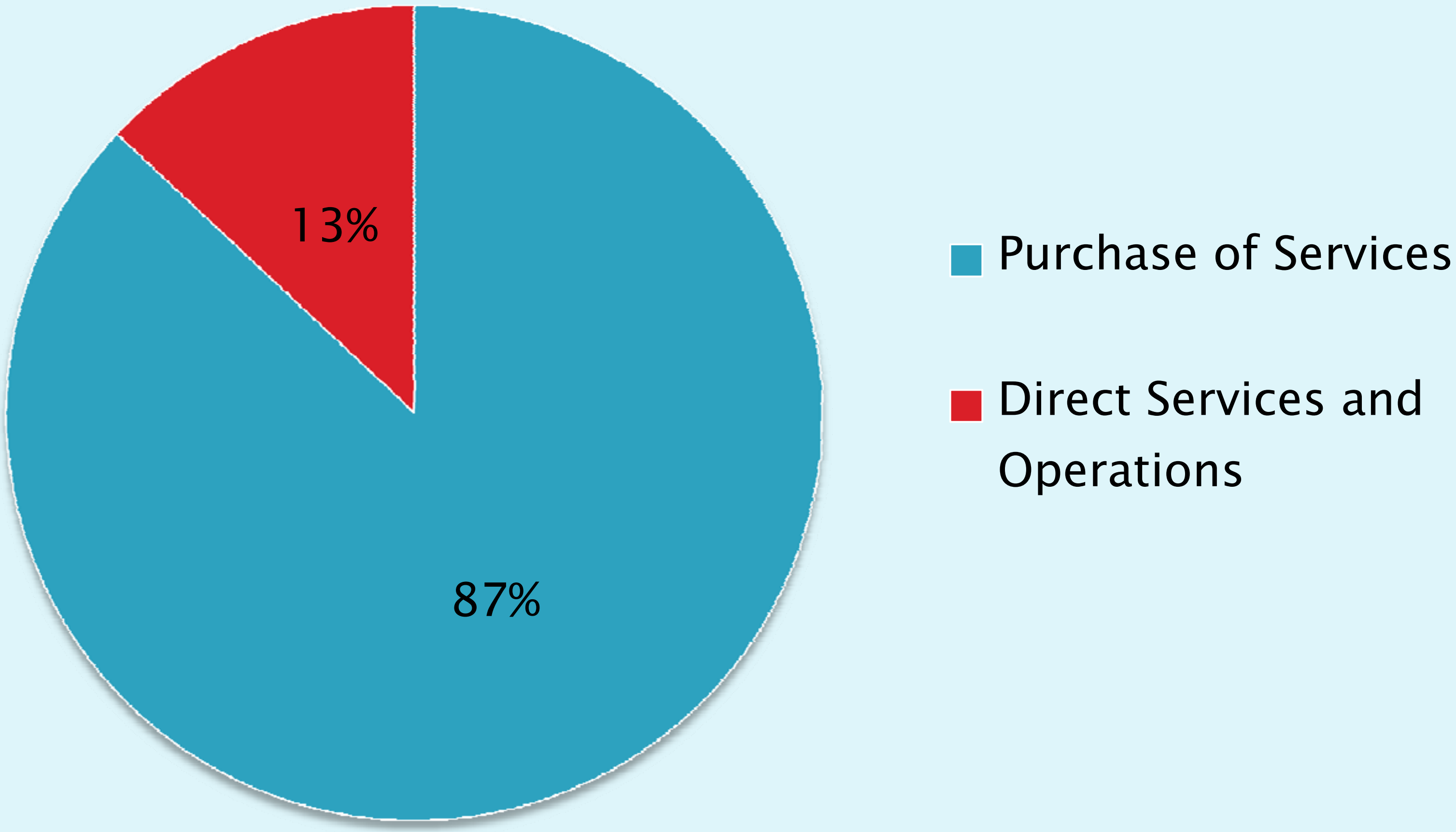
The Budget
The Impact on Regional Centers

Changes for FY 2009-10 through FY 2011-12

2011-12 Budget: 4.6 Billion System-Wide

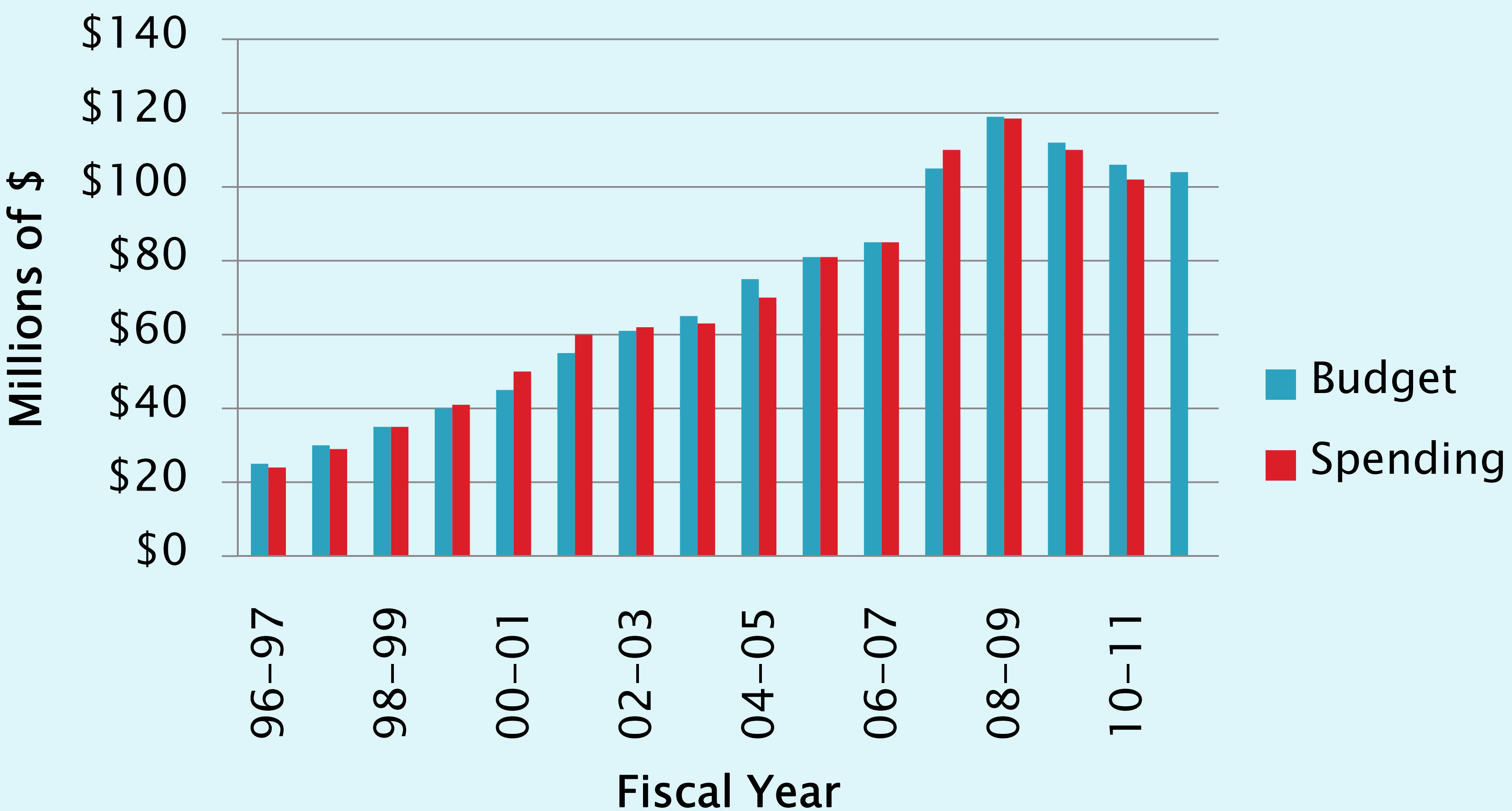


Regional Center Contracts

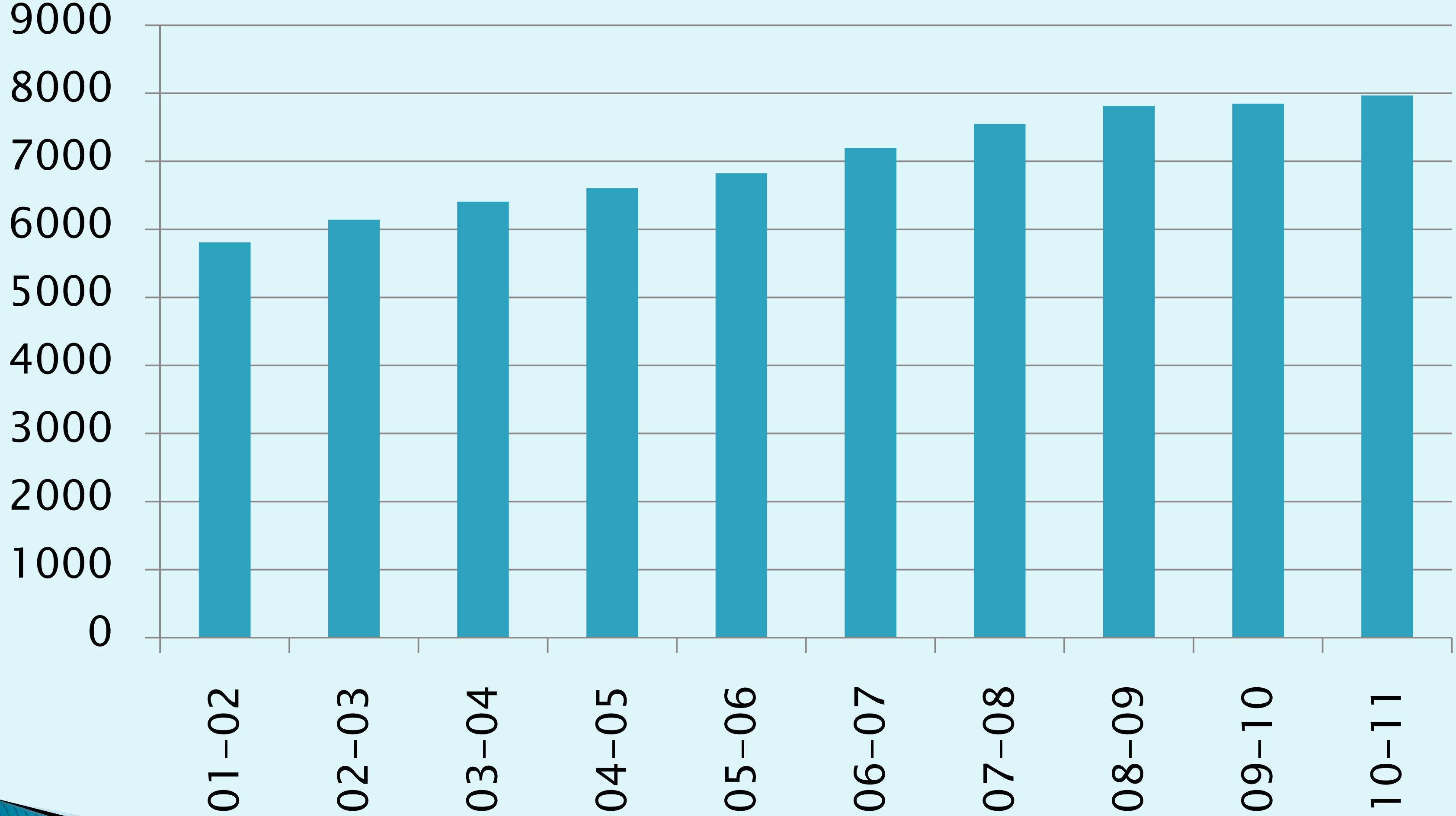


No more than 15% of the total operations budget (about 2% of total RC budget) may be spent for administrative purposes, which are defined in law.

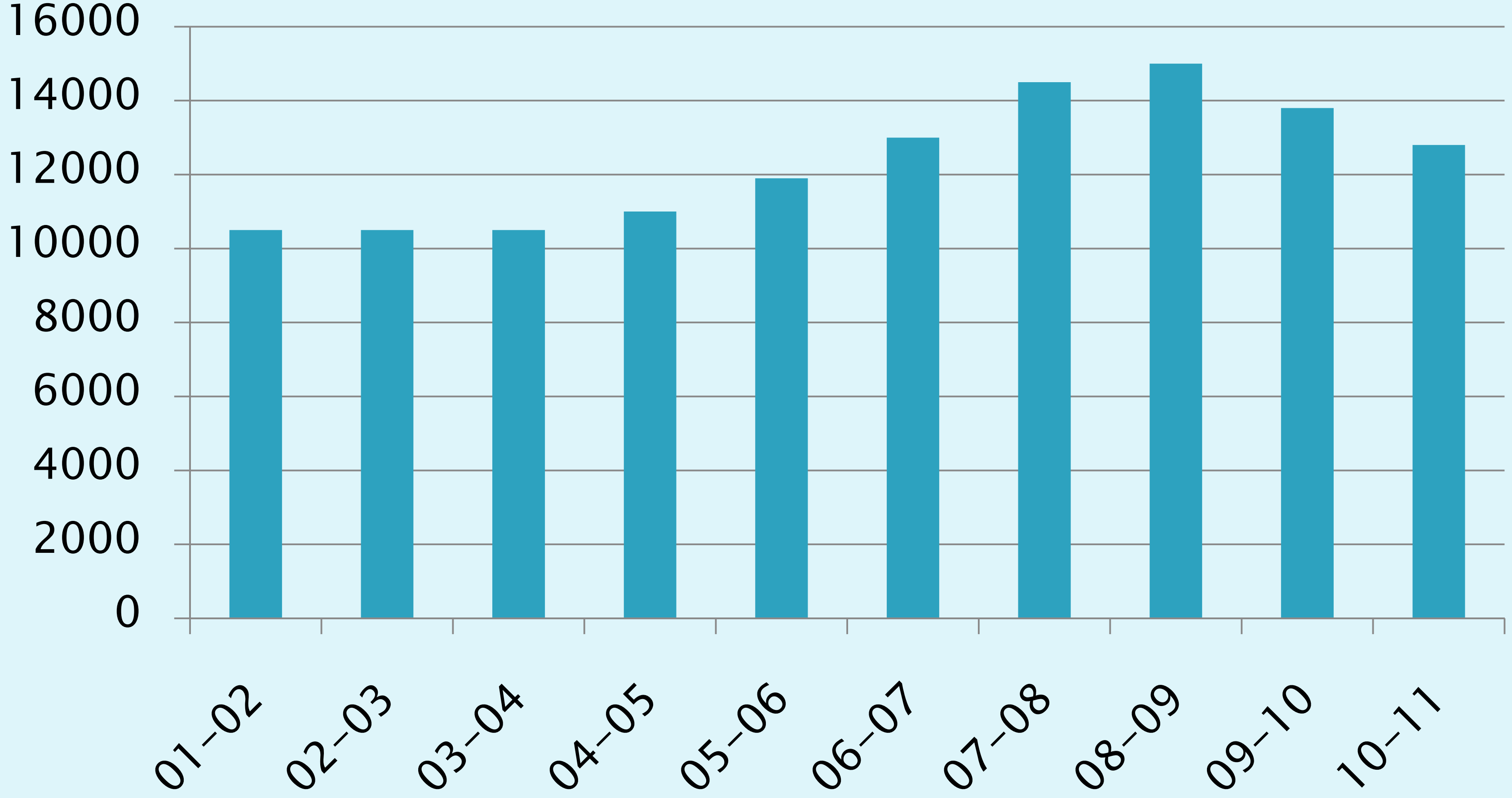
FDLRC POS Budget and Spending 1996-97 to 2010-11



FDLRC Client Population Growth 2001-02 to 2010-11



FDLRC Annual Per Client POS Spending 2001-02 to 2010-11



What Has Happened Over Time

- Regional centers are carrying over $16 million in reductions in operations funding from the 1990s.
- Allocations are further reduced for both Operations and Purchase of Services.
- Rate freezes, the 4.25% rate reduction and the elimination of start-up funds continue to affect service providers; quality suffers and some providers have gone out of business.

What Has Happened Over Time

- The state's fiscal crisis continues, affecting all state programs. If the state's receivables are below expectations by December, a "trigger" will result in developmental services receiving an additional $100 million in cuts.
- 44% of regional center funding comes from the federal government, making us vulnerable to downturns in the national economic situation.

The Current Situation for FDLRC

- Lower caseload growth and timely implementation of Trailer Bill language have resulted in POS spending being reduced in both 09-10 and 10-11 compared to prior years.
- The center continues to budget conservatively for operations, has not adjusted salaries, and has implemented cost saving measures to live within its allocations.
- Caseloads are increasing since only critical positions have been filled.

In Summary

- Regional Center operations and service providers continue to struggle with actual funding reductions and lack of rate increases.
- The basic entitlement to services remains, with some changes as a result of Trailer Bill language.
- Given the current precarious financial situation on both the federal and state levels, even sustaining the current level of funding is questionable.

The Lanterman Performance Plan

Proposed Objectives for 2012
Expected Achievements for 2011

Goal #1: Reduce the number of clients in the developmental center.

2012 Objectives:

- Develop 5 new resources for clients moving out of developmental center.
- Assist 6 previously identified clients to move out of the developmental center into the community.

Goal #2: Increase the number of children residing with families.

2012 Objectives:

- Provide technical assistance to support groups.
- Provide families with peer support partners.
- Increase number of users of the KYRC library.
- Maintain at least the current level of requests for information and referral.
- Provide parents with SCAT training to help them become more effective advocates for their children.

Goal #3: Increase the number of adults living in home settings.

2012 Objective:

- Continue to partner with California Lutheran Homes to promote donations of homes that will provide permanent housing for clients.

Goal #4: Minimize the number of minors living in homes serving more than 6 people.

2012 Objective:

- Annually review service needs of each child residing in a home serving more than 6 clients to determine whether there is a smaller, more homelike living option available for that child.

Goal #5: Minimize the number of adults living in homes serving more than 6 people.

2012 Objective:

- Identify clients living in skilled nursing facilities and evaluate them to determine if they could move to a more appropriate living option for them.

Goal #6: Increase the number of adults who are employed.

2012 Objectives:

- Work with SELPAs, Department of Rehabilitation and supported employment providers to ensure that clients transition from school to work.
- Conduct training of SCs to help them promote transition of clients from Work Activity Programs to supported employment.
- Participate in school transition fairs with three school districts.
- Hold at least one joint training session for LRC SCs and teachers from three school districts to discuss transition from school to work.

Goal #7: Increase the average wage of adults who are employed.

2012 Objective:

- Explore the use of CDER* elements to provide data on client wages so we can begin tracking how much people are earning.

*A Client Development Evaluation Report is completed each year for each client and contains information about disabilities, functioning and other aspects of the client's life, including employment.

Goal #8: Ensure all clients have access to appropriate health care.

2012 Objectives - 1:

- Increase access to psychiatric services through use of the Lanterman/UCLA-NPI Special Clinic.
- Coordinate comprehensive health assessments for clients who are unable to access primary medical care.
- Conduct 3 Women's Reproductive Health and Self Advocacy training programs for clients.

Goal #8: Ensure all clients have access to appropriate health care.

2012 Objectives - 2:

- Promote good oral health by continuing screenings and referrals, education of caregivers and clients, and referral to dental professionals.
- Work with LA Care and HeathNet to ensure smooth transition of clients into managed care organizations.

Goal #9: Minimize the incidence of abuse among regional center clients.

2012 Objectives:

- Conduct training of providers on client rights and mandatory abuse reporting.
- Review all special incident reports on abuse and ensure appropriate follow-up .
- Conduct 4 training programs focused on personal safety and on sexual abuse and exploitation risk reduction. For children 7-14, continue referrals to “Making Friends and Staying Safe Program” at CHLA.

Compliance Indicators

<u>To be continued from 2011</u>:

- Achieve an audit outcome with no first tier findings.
- Demonstrate substantial compliance with DDS fiscal audit.
- Make accurate POS fiscal projections.
- Operate within the center's operations budget.
- Maintain certification to participate in Medicaid Waiver.
- Maintain compliance with vendor audit requirements.

Compliance Indicators

To be continued from 2011

- Complete CDERs and Early Start Reports within required timeframes.
- Complete intake/assessments and IFSP/IPPs within required timeframes for all new clients.
- Meet IPP development requirements in the Welfare and Institutions Code.
- Meet IFSP development requirements in Title 17.

What is satisfactory performance?

A regional center's performance is defined as satisfactory if any of the following is true:

- It is an improvement over the prior year,
- Performance is better than the average of all regional centers, *or*
- It meets or exceeds the standard for that objective set by DDS.

Projected Achievements for 2011

We anticipate achieving all of our 2011 objectives.