

JOINT FINANCE COMMITTEE HEARING FISCAL YEAR 2021 BUDGET



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DIVISION OF DEVELOPMENTAL DISABILITIES SERVICES
Department of Health and Social Services
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Legislative Hall, Joint Finance Committee Hearing Room

Comments available online at <https://dhss.delaware.gov/dhss/pubs.html>

Good Afternoon Senator McDowell, Representative Johnson, members of the Joint Finance Committee and members of the public. I am Marie Nonnenmacher, Director of the Division of Developmental Disabilities Services (DDDS). With me today is Marissa Catalon, Deputy Director, and Darlene Sturgeon, my Chief of Administration.

Thank you for the opportunity to speak with you today and present our accomplishments and the Fiscal Year (FY) 2021 Governor's Recommended Budget for DDDS.

DIVISION OVERVIEW

Mission: The Division of Developmental Disabilities Services (DDDS) values persons with intellectual and developmental disabilities, honors abilities, respects choices and achieves possibilities. We work together to support healthy and fulfilling lives.

DDDS SERVES PEOPLE WITH...

PRADER-WILLI
SYNDROME



AUTISM



INTELLECTUAL &
DEVELOPMENTAL
DISABILITIES

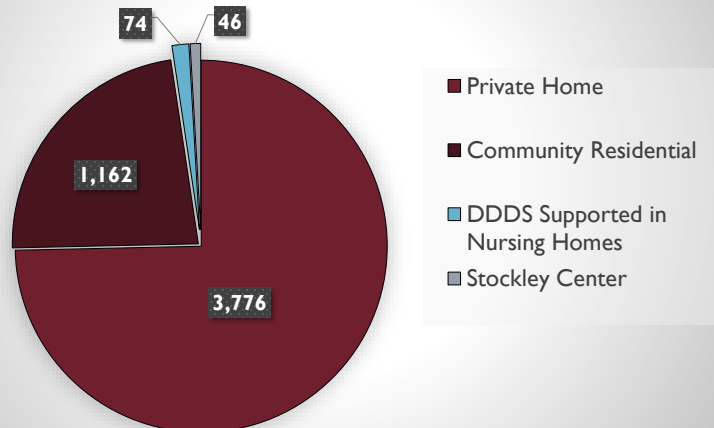
2

The Division of Developmental Disabilities (DDDS) values persons with intellectual and developmental disabilities, honors abilities, respects choices and achieves possibilities. We work together to support healthy, safe and fulfilling lives.

DDDS serves individuals who have intellectual and developmental disabilities (IDD), including individuals whose disability was caused by a brain injury, Autism, and Prader-Willi syndrome, as well as their families, in a variety of settings.

DIVISION OVERVIEW – CENSUS

DDDS Census by Living Setting – December 2019

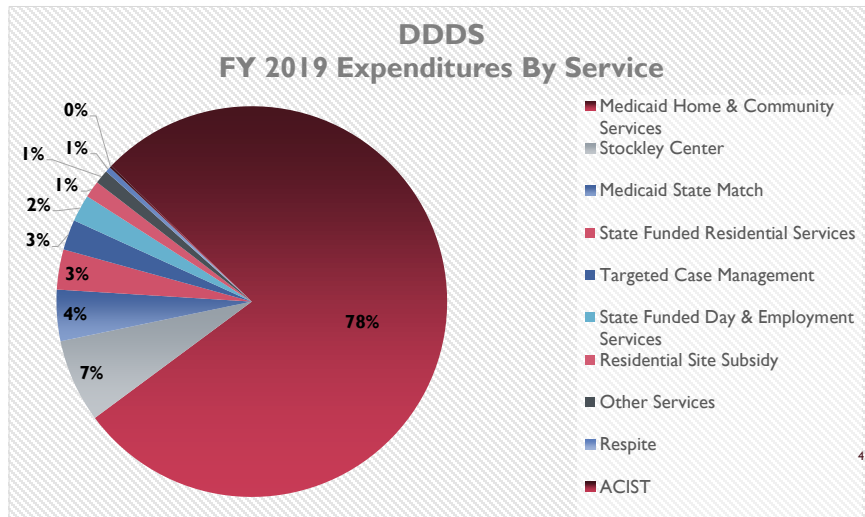


As of December 2019, DDDS served 5,058 individuals in the settings shown on the chart above. Those settings include individuals living in:

- a private home, which can be the family home or the individual's own home;
- a community-based provider-managed residential setting;
- a nursing facility; or
- the Stockley Center, an Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF-IID).

As you can see from the chart, the majority of the individuals DDDS supports live in the community, most of whom live in the family home.

DIVISION OVERVIEW – SERVICE EXPENDITURES BY SERVICE TYPE



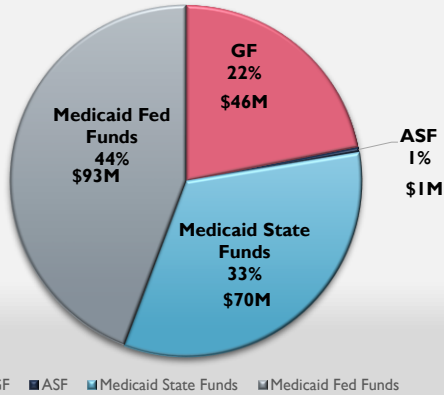
DDDS offers a variety of services and programs to meet the needs of the individuals we serve. The chart shows the payments for services authorized by DDDS in FY 2019. DDDS's total service expenditures were just under \$210 million, of which over 77% (\$163 million) were for Medicaid-funded home and community-based services. Over 90% of the expenditures for DDDS services were delivered to individuals living in the family home or in a provider-managed community-based residential setting.

Here is the breakdown of the DDDS service expenditures for FY 2019:

- \$163.0 million Medicaid Home and Community Based (HCB) Services
- \$ 14.5 million Stockley Center
- \$ 8.9 million State Match Transfer to the Division of Medicaid and Medical Assistance (DMMA)
- \$ 7.0 million State Funded Residential Service
- \$ 5.3 million Targeted Case Management
- \$ 4.7 million State Funded Day & Employment Services
- \$ 2.9 million Residential Site Subsidy
- \$ 2.4 million Other Client Services
- \$.9 million Respite
- \$.3 million ACIST (Assertive Community Integrated Support Team)
- \$209.9 million FY 2019 Total Expenditures by Service Type

DIVISION OVERVIEW – SERVICE EXPENDITURES BY FUNDING

DDDS FY 2019 Service Expenditures by Funding Source



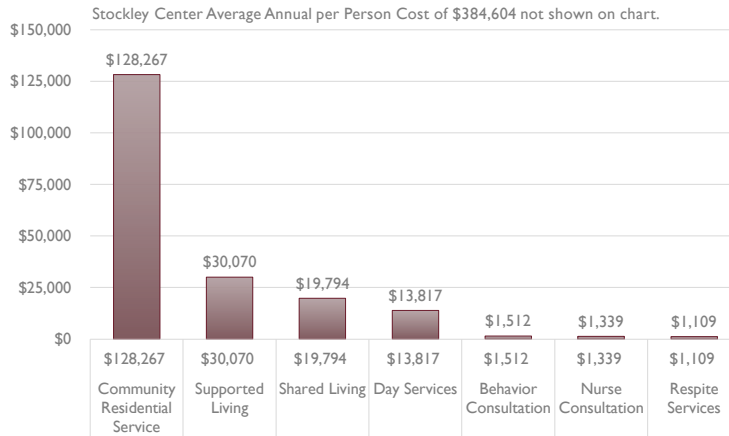
This chart shows that most of the payments for home and community-based services authorized by DDDS are paid for out of the Medicaid budget (gray and blue pie segments), comprising \$163 million out of a total of almost \$210 million in service expenditures FY 2019.

In FY 2019, in addition to the service expenditures above, DDDS also spent \$10.4 million in state expenditures on monitoring, oversight and other administrative activities necessary to ensure that client services are delivered according to established standards and that service recipients are healthy and safe.

By leveraging additional federal funding opportunities, DDDS is able to spend more money on client services than would be possible with just state funds.

DIVISION OVERVIEW – COST BY SERVICE

DDDS FY 2019 Average Annual per Person Cost by Service



6

This chart shows the FY 2019 annualized average cost per person, per service for Division of Developmental Disabilities Services (DDDS) services.

The DDDS HCBS waiver gives DDDS the ability to utilize federal funds for community-based services, which as you can see from the chart, can be very costly on a per person basis.

ACCOMPLISHMENTS

- ✓ Direct Service Provider (DSP) Rebasing Study
- ✓ Managed care for non-Home and Community Based Services (HCBS) benefits
- ✓ The Division of Developmental Disabilities Services (DDDS) Lifespan waiver renewal
- ✓ Pathways to Employment Program renewal
- ✓ Maximize Medicaid funding by:
 - ✓ Amending the Department of Health and Social Services (DHSS) Cost Allocation Plan
 - ✓ Requiring individuals seeking HCB services to enroll in a Medicaid Long Term Services and Supports (LTSS) authority



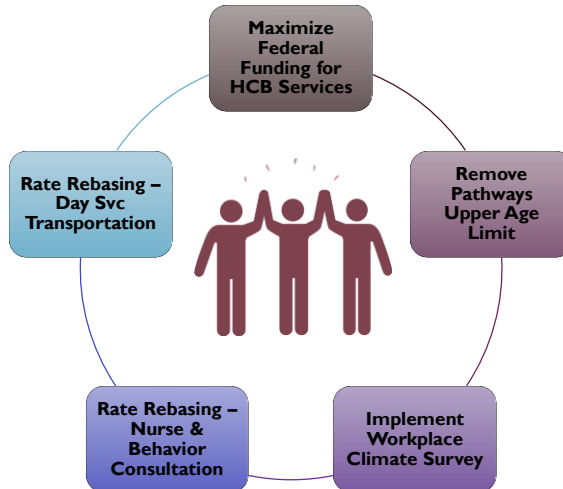
7

Over the past year, the Division has been engaged in several initiatives, some of which are still being implemented.

They include:

- ❖ Completing the Direct Service Provider (DSP) Rebasing Study as required by Epilogue in January 2019;
- ❖ Getting people who live in provider managed settings enrolled in managed care for their non-HCBS waiver benefits;
- ❖ Renewing the DDDS Lifespan Medicaid waiver for another 5 years;
- ❖ Renewing the Pathways to Employment Medicaid Program for another 5 years;
- ❖ Amending the Department of Health and Social Services (DHSS) Cost Allocation Plan to maximize Medicaid administrative funding for activities DDDS performs to operate multiple Medicaid programs in Delaware; and
- ❖ Maximizing federal funding by requiring individuals seeking an HCB service to enroll in a Medicaid authority such as the Lifespan waiver, the Pathways to Employment program or the Diamond State Health Plan Plus program.

LOOKING AHEAD



Looking ahead, DDDS plans to continue to build on the work of the last several years that has not yet reached its potential and to continue to leverage Medicaid funding when available. The goal of these efforts is to make significant and lasting improvements in the lives of people we support.

Here are current and future projects for DDDS:

- Rebasing the rate for day service transportation from an hourly rate to a rate per round trip;
- Rebasing the rates for Nurse and Behavior Consultation services;
- Submitting a State Plan Amendment (SPA) for the Pathways to Employment program to remove the upper age limit;
- Continuing to maximize federal funding for Home and Community Based services;
- Implementing an annual workplace climate survey for DDDS employees.

FY 2021 GOVERNOR'S RECOMMENDED BUDGET

FY 2021 Governor's Recommended Budget (\$ in thousands)

	GF	ASF	NSF	Total
FTEs	441.1	1.0	1.3	443.4
Dollars (\$)	\$83,576.1	\$4,941.8	\$12,886.4	\$101,404.3



Budget Definitions:

GF – General Funds
 ASF – Appropriated Special Funds
 NSF – Non-Appropriated Special Funds
 FTEs – Full Time Equivalent Positions

The slide above shows the funding included in the FY 2021 Governor's Recommended Budget (GRB) for DDDS.

Our Division's FY 2021 GRB is:

- \$83,576.1 [Eighty Three Million, Five Hundred Seventy Six Thousand, One Hundred Dollars] in General Funds (GF);
- \$4,941.8 [Four Million, Nine Hundred Forty One Thousand, Eight Hundred Dollars] in Appropriated Special Fund (ASF) spending authority; and
- \$12,886.4 [Twelve Million, Eight Hundred Eighty Six Thousand, Four Hundred Dollars] in Non-Appropriated Special Funds (NSF).

Most of the \$12+Milion in NSF funds are not funds that can be used by the state for any purpose it desires. These funds are client funds originating from the Social Security Administration that are held in trust for the 1,000+ individuals for whom DDDS is the representative payee. These funds are often referred to as "client trust" accounts. Deposits (mostly Social Security Insurance payments of \$783/pp/month) and expenditures that are mostly used to pay room and board to DDDS providers, flow into and out of the state accounting system each month. The \$12 million figure is the sum of these transactions over the course of an entire year.

FY 2021 GOVERNOR'S RECOMMENDED BUDGET

The FY 2021 Governor's Recommended Budget includes:

▪ Annualized FY 2020 Services for School Graduates (2 months)	\$150.8
▪ Annualized FY 2020 Services for Community Placements (6 months)	\$2,001.0
▪ New FY 2021 Services for School Graduates (10 months)	\$921.8
▪ New FY 2021 Services for Community Placements (6 months)	\$2,781.4



10

The FY2021 Governor's Recommended Budget includes:

- \$150,800 for 2 months to annualize FY 2020 funding for day services for 151 graduates. The day services includes day habilitation, prevocational service, supported employment and other employment-related services.
- \$2 million for 6 months to annualize FY 2020 funding for services for 75 individuals who will transition to a community-based provider-managed residential setting. This funding includes other home and community-based services that these individuals also typically need, such as day and employment services.
- \$921,800 for 10 months of funding for day services for 121 school graduates leaving school during FY 2021; and
- \$2.7 million for 6 months of funding for services for an additional 75 individuals who will transition to a community-based provider-managed residential setting in FY 2021

FY 2021 GOVERNOR'S RECOMMENDED BUDGET

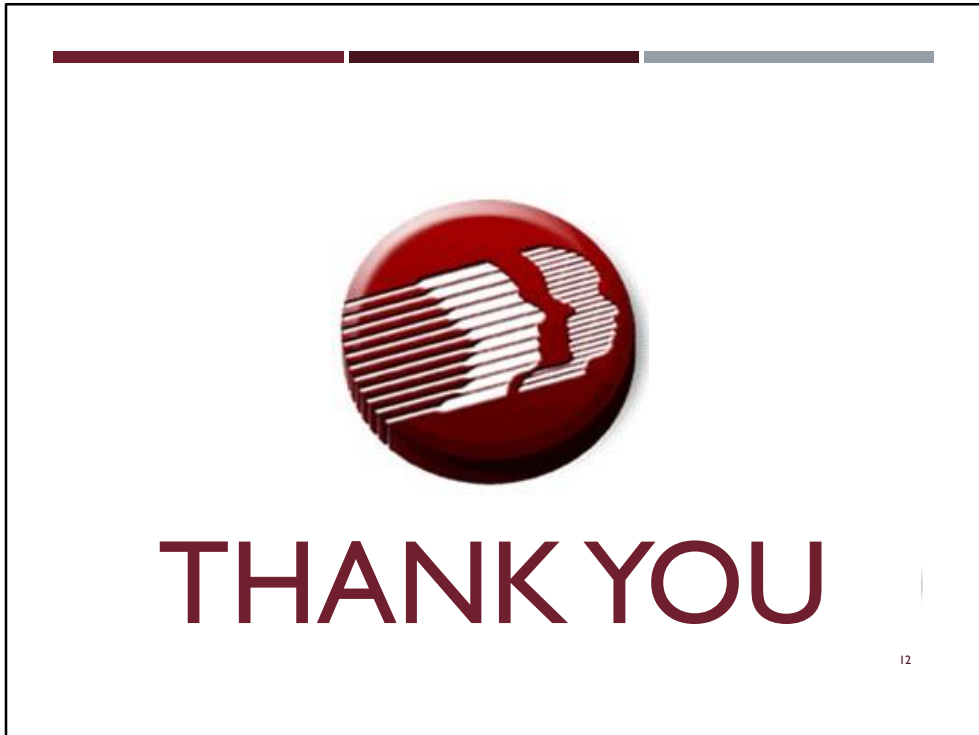
The FY 2021 Governor's Recommended Budget includes:

New Electronic Case Record (ECR) System Development (One-time funding)	\$425.0
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11

The Governor's Recommended Budget also includes \$425,000 in one time funding for the development cost for a new electronic case record (ECR) system for DDS service recipients receiving non-institutional services. This request assumes that we will be able to leverage Medicaid administrative funding to pay for most of this work.



Thank you for the opportunity to share with you the challenges and opportunities facing the Division of Developmental Disabilities Services.

I am happy to answer any questions you may have.