

Testimony
House Bill 1012 – Department of Human Services
House Appropriations – Human Resources Division
Representative Pollert, Chairman
January 13, 2009

Chairman Pollert, members of the House Appropriations Human Resources Committee, I am JoAnne Hoesel of the Department of Human Services. I am here today to provide you an overview of the Developmental Disabilities Division (DD) for the Department of Human Services.

Programs

The Developmental Disabilities Division is made up of 7 FTEs who are responsible for the needs assessment, staff training, development of policy, quality assurance, compliance with federal oversight agency rules, and service monitoring functions relating to the provision of home and community-based services for individuals who have a developmental disability, as well as children who are at risk of developmental delays.

Staff interact regularly with the developmental disability staff at the regional human service centers, the Developmental Center, federal agency representatives, school systems, universities, consumer advocates, and a variety of public and private entities who play a part in the delivery system and monitoring of services.

Developmental Disability services are funded through the Medicaid state plan, three Medicaid Home and Community-Based Waivers, Part C of IDEA, and general funds.

Caseload / Customer Base

In SFY 2008, 5,185 individuals received developmental disability case management through the human service centers,

1,836 individuals received family support program services, including family subsidy, infant development, and family support,

2,131 individuals received residential and/or day services, 9,282 Right Track screenings were completed for infants and toddlers birth to three years of age at risk for developmental delays.

Note: The funding for the DD case management is contained in the regional human service center budgets. The community-based services for individuals and families are budgeted in the Long-Term Care section of the budget. Right Track Services are budgeted in the operating line of the budget.

Customer Base

According to the latest report from the University of Minnesota on residential services for persons with Developmental Disabilities, Status and Trends through 2007:

- The national average rate of placement in residential settings for persons with Intellectual Disabilities (ID)/Developmental Disabilities (DD) in 2007 was 145.1 persons per 100,000 of the general population. North Dakota ranked number one with 313.6 per 100,000 state residents.
- Nationally, the combined average Intermediate Care Facilities for the Mentally Retarded (ICF/MR) and Home and Community-Based Services (HCBS) utilization was 198.0 per 100,000 of the population. North Dakota ranked number one with 645.3 persons per 100,000 state residents.
- In North Dakota, there are 1,112 private provider settings which serve persons with 1 – 3 people; 38 settings which serve 4 – 6 people; 62 settings that served 7 – 15 persons; and only 2 settings serve 16 or more people.
- There were 1,112 people served in settings of 1 – 3 people, 214 were served in settings for 4 – 6; 501 were served in settings of 7 – 15, and 62 were served in settings for 16 or more persons.

Major Program Trends

Consumer Choice – The Division continues its ‘self-directed supports’ approach which allows families to manage their own services. The Division is proposing to add this feature for some

services in the traditional DD waiver which is currently being reviewed by the Centers for Medicare and Medicaid Services (CMS). Similarly, CMS also requires states to move toward increased portability of funds and increased service access in waivers based on consumer choice.

Developmental Center Transition - Transition efforts from the Developmental Center continue with collaboration between the regional human service centers, the One Center, advocates, DD providers, Medical Services, and the Division. One challenge is the DD providers' inability to find staff to serve the individuals in communities. The Department is working with DD providers to fully identify barriers to transition and the transition committee will use the data to address the challenges from a system view.

Services for young children with DD – Caseload growth continues in the number of young children with developmental disabilities needing support, which has put pressure on the family support budget.

Increased federal accountability requirements and oversight – CMS has placed greater emphasis on providing evidence of compliance with the six health & welfare assurances required in the waivers. CMS has become more prescriptive, requires more state reporting, and requires more oversight of providers on the part of the state.

DD Home & Community-Based Services Waiver Renewals -

North Dakota's DD waiver renewals were submitted January 1, 2009 and are being reviewed by CMS. The renewed waivers will be effective April 1, 2009. The waiver submittals are the culmination of on-site visits by CMS, numerous CMS phone calls, numerous work groups including providers and advocates, and tracking the ebb and flow of federal regulatory decisions in Congress and CMS. CMS requires states to formalize their quality framework and track, trend, and train within the DD system.

DD/MI – Individuals with both a developmental disability and a mental illness continue to challenge the system, especially adolescents and those in transition to adult services. Either the youth are too low functioning for the mental health system or too high functioning for the developmental disabilities system. The Department is currently studying options for integrating treatment services.

Overview of Budget Changes

Description	2007 - 2009 Budget	2009 - 2011 Budget	Increase/ Decrease
Salary and Wages	860,672	965,013	104,341
Operating	4,400,076	4,971,878	571,802
Grants	816,403	464,125	(352,278)
Total	6,077,151	6,401,016	323,865
General Funds	2,440,426	2,806,110	365,684
Federal Funds	3,636,725	3,594,906	(41,819)
Other Funds	0	0	0
Total	6,077,151	6,401,016	323,865
FTE	7.00	7.00	0.00

The Salary and Wages line item increased by \$104,341 and can be attributed to the following:

- \$87,001 in total funds is to fund the Governor's salary package for state employees. The general fund portion of this increase is \$45,737.
- The cost to continue the 4% salary increase for the last year of the 07-09 biennium is \$49,827 of which \$49,209 is general fund.
- The remaining decrease of (\$32,487), of which (\$2,959) is general fund is due to divisional restructuring.

Operating expenses show a net increase of \$571,802 for a variety of reasons:

- Increase in travel of \$88,109, of which \$27,037 is general fund, reflects an increase of travel due to more staff travel time devoted to training and regulatory oversight.

- Increase of \$46,179 for professional development, of which \$1,479 is general fund to support early intervention services.
- Increase of \$599,530 in operating fees and services of which \$145,950 is general fund. The increases and decreases are as follows:
 - \$257,741 increase in the Catholic Charities Guardianship contract which includes a correction of \$49,209 in the contract that was omitted last biennium, \$37,777 cost to continue year two increases plus \$170,755 for the inflationary increase of 7% in each year of the biennium for this contract. This is all general funds;
 - \$527,168 increase for Part C which reflects a shift from the grant line to operating fees and services of \$449,636 for early intervention services, which is all federal funds;
 - Increase of \$34,310 of federal funds for Right Track screenings due to an increase in assessments, which is all federal funds;
 - (\$184,039) decrease in our fiscal agent contract, as last biennium was the original self-directed support work and was based on an estimate. This request reflects actual usage, of which (\$103,354) is general funds;
 - (\$35,650) decrease due to restructuring of division.

- Decrease of (\$92,432) in various supplies, of which (\$1,431) is general funds, the majority is being moved to cover increased travel and the Early Intervention program.
- Decrease of (\$77,527) in equipment, of which (\$361) is general funds, the majority is being moved to cover increased travel and the Early Intervention program.
- Decrease of (\$8,163) in Information Technology communication services, of which (\$78) is general funds.
- Decrease of (\$11,951) in rent, of which (\$4,033) in general funds due to staff being moved out of Prairie Hills Plaza building.
- Increase of \$14,730 in printing, of which \$2,517 is general funds, the majority being for Early Invention program.
- Increase of \$13,327 in professional fees, of which \$7,400 in general funds, the majority being for administrative hearings.

Grants resulted in a net decrease of (\$352,278), of which \$95,217 is an increase in general funds, for a variety of reasons with the major changes being:

- (\$449,636) decrease reflects the shift from grants to operating for the Early Intervention program. This decrease is 100% federal funds. There was also a funding shift of \$2,141 from general funds to federal funds.

- Increase of \$97,358 in general funds for service payments for individuals who were no longer able to be served by the waiver due to CMS' required eligibility changes in the 05-07 biennium. These funds represent job supports and residential supports for these individuals.

This concludes my testimony on the 2009 – 2011 budget request for Developmental Disabilities Division area of the Department. I would be happy to answer any questions.