



Presentation to the Senate Finance Committee

Department of Aging and Disability Services

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February 18, 2015

DADS Vision and Mission

Vision

- Older Texans and persons with disabilities will be supported by a comprehensive and cost-effective service delivery system that promotes and enhances individual well-being, dignity, and choice.

Mission

- To provide a comprehensive array of aging and disability services, supports, and opportunities that are easily accessed in local communities.

FY 2014-15 Major Budget Issues

Managed Care Expansion

- SB 7, 83rd Legislature, Regular Session, 2013, requires the Health and Human Services Commission (HHSC) and the Department of Aging and Disability Services (DADS) to jointly design and implement an acute care services and long-term services and supports system for individuals with intellectual and developmental disabilities (IDD) through managed care.
- Implementation began in September 2013, with the full redesign rolling out gradually through 2020.
- September 1, 2014:
 - STAR+PLUS expanded statewide, and IDD acute care benefits transitioned into STAR+PLUS.
 - The Community-based Alternatives (CBA) waiver is no longer at DADS. All individuals are now served through HHSC's STAR+PLUS program.
 - A small number of individuals still receive Primary Home Care (PHC) or Medicaid Day Activity and Health Services (DAHS) through DADS fee-for-service—about 1,300 PHC and 1,100 DAHS.
- March 1, 2015:
 - Nursing facility services will transition into STAR+PLUS—approximately 53,000 nursing facility residents (95 percent of the current population; 5 percent will remain at DADS).

FY 2016-17 Key Budget Issues

Sunset Commission Recommendations

- The Texas Sunset Commission recommended – as part of its review of DADS – closing the Austin SSLC by August 31, 2017, and creating a special restructuring committee to determine which, if any, additional centers should be closed by August 2025.
- Additionally, the Commission proposed merging the five HHS enterprise agencies into a single agency under HHSC.

State Supported Living Centers

- The 2014-15 General Appropriations Act (Article II, Department of Aging and Disability Services, Rider 39, Senate Bill 1, 83rd Legislature, Regular Session, 2013) requires DADS to develop a 10-year plan to consider current and future SSLC operational and infrastructure needs.
- The census at the 13 state supported living centers (SSLCs) is expected to continue the decrease seen in recent years, moving from an average of 3,649 total residents in 2013 to an expected 2,849 in 2016-17.

FY 2014 Accomplishments

Aging and Disability Resource Centers expansion

- A new toll-free number – 855-937-2372 – allows Texans an easy and convenient way to quickly get connected to appropriate resources in their area.

Improving nursing facility services and supports

- DADS provided training and technical assistance to over 1,200 nursing facility staff focused on reduction of inappropriate use of antipsychotic medications.
- Intensive efforts have focused on regulatory compliance improvements with 25 nursing facilities across the state identified as having the most significant challenges complying with regulatory requirements and assuring health and welfare of residents.

SSLC Quality Improvement program

- DADS developed a program to improve the quality of care and supports provided to SSLC residents, establishing key indicators and developing quality of care reports to track outcomes for people being served.
- Interdisciplinary teams have been created to assess people with high risk medical conditions and support individuals who transition into an integrated community setting.

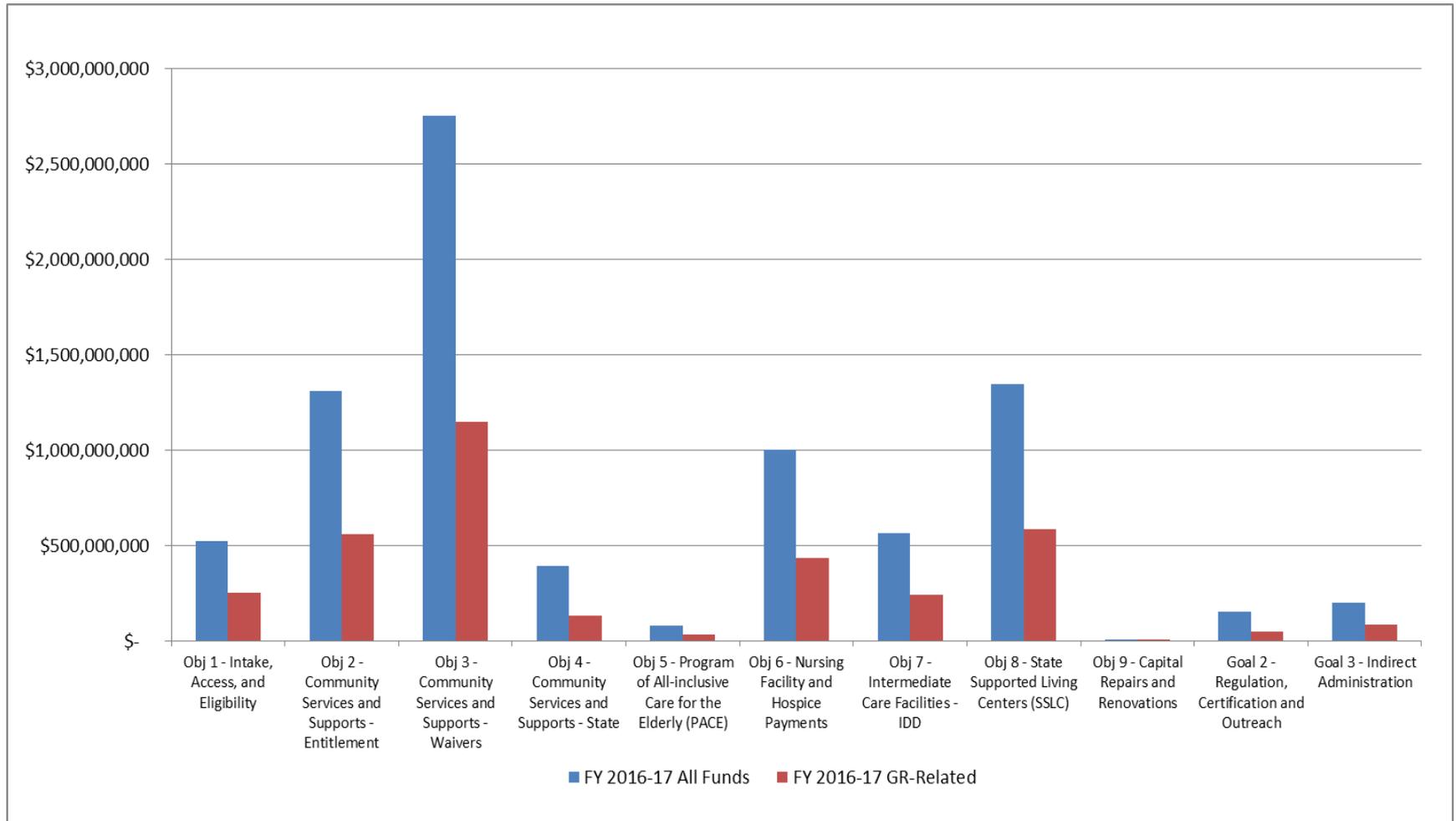
Summary of SB 2

- SB 2 funds most DADS programs at a level sufficient to maintain FY 2014-15 operations and includes the majority of anticipated capital items.
- Funding is included for caseload growth for entitlement programs, although the growth projected is lower than HHS projected level for some services. Cost growth is generally not funded.
- Waiver programs' funding is essentially maintained at August 2015 target levels. Waivers are assumed to reach target levels in August 2016, but LBB has included a rider allowing DADS to transfer funds appropriately if a program reaches its anticipated target prior to August 2016.
- SSLC funding is reduced by about 1% per year (assumes census reduction of about 200 per year; no assumed SSLC closures).
- Medically Dependent Children Program (MDCP) remains at DADS for both years (special provisions gives authority to transfer MDCP as well as Texas Home Living to HHSC).
- Targeted case management (TCM) funding is held at the average funding level for FY 2014 and FY 2015. However, the caseload for TCM for FY 2016 and FY 2017 is expected to increase as a result of a full year's implementation of Community First Choice (CFC), as well as the impact of preadmission screening and resident review (PASRR).

Comparison of Current Biennium with SB 2

Description	FY14-15	FY16-17
	LBE	SB 2
GOAL 1 - Long Term Services and Supports	\$11,267,522,503	\$7,973,190,781
Obj. 1 - Intake, Access, and Eligibility	\$521,535,704	\$521,535,704
Obj. 2 - Community Services and Supports – Entitlement	\$1,269,793,055	\$1,309,812,358
Obj. 3 - Community Services and Supports – Waivers	\$2,601,946,713	\$2,753,818,502
Obj. 4 - Community Services and Supports – State	\$394,642,103	\$394,642,103
Obj. 5 - Program of All-inclusive Care for the Elderly (PACE)	\$74,310,032	\$78,224,468
Obj. 6 - Nursing Facility and Hospice Payments	\$4,435,910,497	\$1,004,252,191
Obj. 7 - Intermediate Care Facilities – Individuals w/ Intellectual Disability	\$564,106,438	\$562,536,640
Obj. 8 - State Supported Living Centers (SSLC)	\$1,355,744,941	\$1,347,664,444
Obj. 9 - Capital Repairs and Renovations	\$49,533,020	\$704,371
GOAL 2 - Regulation, Certification and Outreach	\$152,454,168	\$152,454,168
GOAL 3 - Indirect Administration	\$193,876,300	\$202,525,283
TOTAL AGENCY REQUEST	\$11,613,852,971	\$8,328,170,232
General Revenue	\$4,592,875,366	\$3,366,390,965
General Revenue-Dedicated	\$131,389,403	\$162,389,403
Other Funds	\$70,876,060	\$44,960,428
Federal Funds	\$6,818,712,142	\$4,754,429,436
TOTAL, METHOD OF FINANCING	\$11,613,852,971	\$8,328,170,232
FTEs	16,968.2	16,739.1

SB 2 – FY 2016-17



Clients Served in Selected Programs

Program	LBE FY 2015	SB 2 FY 2016	SB 2 FY 2017
Funded average number of individuals served per month: Medicaid non-waiver Community Services and Supports	53,971	56,188	58,407
<i>HHSC projected average number of individuals served per month: Medicaid non-waiver Community Services and Supports</i>	55,590	58,112	60,231
Number of individuals served end of year: Waivers	37,009	40,280	40,280
Funded average monthly caseload: nursing facility clients (Medicaid, Medicare Co-pay, and Hospice)	40,440	12,037	12,014
<i>HHSC projected average monthly caseload: nursing facility clients (Medicaid, Medicare Co-pay, and Hospice)</i>	40,101	12,305	12,507
Average number of individuals served in Community ICF/IID Medicaid beds per month	5,373	5,373	5,373
Average number of SSLC residents	3,245	3,047	2,849

Summary of Exceptional Items

Exceptional Item	FY 16 GR/GRD	FY 16 All Funds	FY 17 GR/GRD	FY 17 All Funds	Biennial GR/GRD	Biennial All Funds	FY 16 FTEs	FY 17 FTEs
DADS Base Request	\$1,901,765,714	\$4,587,363,088	\$2,117,438,695	\$4,967,890,071	\$4,019,204,409	\$9,555,253,159	16,969.4	16,910.4
1 Restore Baseline Funding	\$10,224,697	\$21,795,774	\$10,930,545	\$23,134,650	\$21,155,242	\$44,930,424	-	-
2 Cost Trends	\$10,658,915	\$24,909,828	\$11,687,580	\$27,180,419	\$22,346,495	\$52,090,247	-	-
3 Reducing Community Program Interest Lists	\$76,109,465	\$179,876,729	\$229,823,953	\$545,842,208	\$305,933,598	\$725,718,937	39.8	110.9
4 Promoting Independence	\$7,853,534	\$22,563,529	\$24,155,006	\$64,012,094	\$32,008,539	\$86,575,623	9.4	19.1
5 Enhancing Community IDD Services	\$12,764,893	\$17,718,637	\$24,160,399	\$32,249,117	\$36,925,382	\$49,967,754	6.0	6.0
6 Complying with Federal PASRR Requirements	\$18,345,885	\$52,467,237	\$22,117,593	\$62,320,790	\$40,463,478	\$114,788,027	25.6	35.6
7 Protecting Vulnerable Texans	\$13,396,330	\$27,443,259	\$7,803,567	\$14,337,459	\$21,200,128	\$41,780,718	23.0	33.0
8 Maintaining/Improving SSLC Operations	\$4,089,290	\$101,509,460	\$4,101,890	\$7,521,737	\$8,191,179	\$109,031,197	-	-
9 ADRC Support for Veterans	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,00	\$2,200,000	\$2,200,000	-	-
10 Total Exceptional Items	\$154,543,278	\$449,384,453	\$335,880,763	\$777,698,474	\$490,424,041	\$1,227,082,927	103.8	204.6



Appendix – Exceptional Item Requests

Exceptional Item 1

Restore Baseline Funding

- Under targeted case management (TCM), a local authority determines the frequency, duration and intensity of services that an individual will receive.
- SB 2 holds TCM funding at an average for FY 2014 and FY 2015. However, the caseload for TCM for FY 2016 and FY 2017 is expected to increase as a result of a full year's implementation of CFC, as well as the impact of current PASRR implementation. (\$14.9m GR/\$34.7m AF)
- Funding would be provided to restore certain non-Medicaid services financed through Texas' Title XX grant. (\$1.8M GR/\$1.8m AF)
- This item would fully fund Data Center Consolidation (DCS) costs. (\$2.8m GR/\$5.7m AF)
- Funding would also be provided to fully fund the 2 percent salary increase given in 2015. (\$1.6m GR/\$2.7m AF)

MOF (\$ in millions)	FY 2016	FY 2017	Biennium
GR Related	\$10.2	\$10.9	\$21.1
All Funds	\$21.8	\$23.1	\$44.9

Program Impact: Targeted Case Management Needed to Restore Baseline Programs		
	FY 2016	FY 2017
Average number of additional TCM individuals served per month	8,636	8,636
Average monthly cost per TCM individual served	\$167.32	\$167.32
Average number of additional Title XX individuals served	326	326

Exceptional Item 2

Cost Trends

- Increases in client acuity and costs are expected to trigger a need for additional funding in the next biennium.
- Requested funds are tied to cost growth in DADS entitlement programs, where the agency has minimal discretion, if any, regarding the provision of services.
- The cost trend estimate was based on cost increases between one and two percent in the current biennium in some of the agency's largest programs.
- No FTE impact is associated with funding for this item.

MOF (\$ in millions)	FY 2016	FY 2017	Biennium
GR Related	\$10.7	\$11.7	\$22.4
All Funds	\$24.9	\$27.2	\$52.1

Program Impact: Projected Monthly Cost per-Client		
	FY 2016	FY 2017
Primary Home Care	\$962.91	\$972.54
Community Attendant Services	\$975.51	\$985.27
Nursing Facilities	\$3,690.09	\$3,747.27
DAHS	\$544.31	\$544.31
Texas Home Living	\$870.00	\$870.00
Hospice	\$3,186.78	\$3,244.08

Exceptional Item 3

Reducing Community Program Interest Lists

This item would result in an increase of 15,780 slots for DADS community-based services.

- These slots would provide full interest list funding for:
 - STAR+PLUS nursing facility waiver
 - Deaf-Blind Multiple Disabilities

- Requested slots would serve 20 percent of the estimated number of eligible individuals on the interest lists for:
 - Home and Community-based Services (HCS)
 - Medically Dependent Children Program (MDCP)
 - Texas Home Living (TxHmL) waiver
 - Community Living Assistance and Support Services (CLASS)
 - Title XX services

- Requested slots would increase the number of individuals served by 10 percent for:
 - In Home and Family Support
 - IDD community services

MOF (\$ in millions)	FY 2016	FY 2017	Biennium
GR Related	\$76.1	\$229.8	\$305.9
All Funds	\$179.9	\$545.8	\$725.7

FTEs	39.8	110.9
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Program Impact: Number of Additional Clients Served (by end of year)		
	FY 2016	FY 2017
STAR+PLUS CBA	823	1646
DBMD	10	21
HCS	3396	6792
MDCP	641	1282
TxHmL	520	1040
CLASS	2076	4151
Title XX Services	652	1303
In-Home & Family Support	300	600
IDD Comm. Services	591	591

Exceptional Item 4

Promoting Independence

- Under the Promoting Independence initiative, DADS will continue to move individuals into the HCS waiver program:
 - 500 slots for persons moving from large intermediate care facilities and the SSLCs
 - 216 slots for children aging out of foster care at the Department of Family and Protective Services (DFPS)
 - 400 slots for those with imminent risk of institutionalization associated with their disability
 - 100 STAR+PLUS waiver slots for individuals at imminent risk of entering a nursing facility (Note: If STAR +PLUS waiver slots requested in Item 3 are fully funded, these slots would not be needed)
 - 145 slots for individuals in state hospitals and DFPS facilities

MOF (\$ in millions)	FY 2016	FY 2017	Biennium
GR Related	\$7.9	\$24.1	\$32.0
All Funds	\$22.6	\$64.0	\$86.5

FTEs	9.4	19.1
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Program Impact: New HCS Slots to be Created <i>(by end of year)</i>		
	FY 2016	FY 2017
HCS Slots SSLCs	200	400
HCS Slots ICFs/IID	50	100
HCS Slots Aging out of Foster Care	108	216
HCS Slots Crisis/Prevention of Institutionalization	200	400
STAR+PLUS Waiver/Prevention of Institutionalization	25	75
HCS Slots State Hospitals	60	120
HCS Slots DFPS Facilities	13	25

Exceptional Item 5

Enhancing Community IDD Services for Persons with Complex Medical Needs and/or Behavioral Needs

- This request includes additional funding to support behavioral intervention and crisis respite programs through local IDD authorities (LAs). (\$27.5m GR/\$27.9m AF)
- An add-on rate will be piloted as an incentive for ICF/IID and HCS providers to serve individuals with IDD who have higher medical needs in small ICFs/IID or in the HCS waiver. (\$5.9m GR/ \$13.8m AF)
- Funding would be provided for more intensive local authority service coordination for SSLC residents transitioning to the community. (\$3.5m GR/\$8.2m AF)

MOF (\$ in millions)	FY 2016	FY 2017	Biennium
GR Related	\$12.7	\$24.1	\$36.9
All Funds	\$17.7	\$32.2	\$49.9

FTEs	FY 2016	FY 2017
	6.0	6.0

Program Impact: Individuals Served		
	FY 2016	FY 2017
Under the Add-on ICF/HCS Rate (\$75.76 per day)	150 (ICF Only)	350 (175 ICF + 175 HCS)

Exceptional Item 6

Complying with Federal PASRR Requirements

- Funding for this item will help Texas meet federal preadmission screening and resident review (PASRR) requirements applying to all persons with IDD entering, or at risk of entering, a nursing facility (NF).
- DADS is requesting resources for the following community slots:
 - 700 HCS transition slots for individuals with IDD moving out of NFs (\$13.6m GR/\$48.9m AF for HCS)
 - 600 HCS diversion slots for individuals with IDD diverted from NF admission (\$18.1m GR/\$42.1m AF in HCS)
 - Note: Request for HCS slots reflects an offset in NF costs due to lower NF census (\$25.5m GR/\$59.5m AF)
- Funding would support a full range of specialized services as well as intensive transition service coordination to eligible individuals in NFs or community settings (\$34.2GR/\$83.2AF).

MOF (\$ in millions)	FY 2016	FY 2017	Biennium
GR Related	\$18.3	\$22.1	\$40.4
All Funds	\$52.5	\$62.3	\$114.8

FTEs	25.6	35.6
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Program Impact: Individuals Receiving Services <i>(at end of year)</i>		
	FY 2016	FY 2017
HCS	650	1300

Exceptional Item 7

Protecting Vulnerable Texans

- This request would fund needed expansions in guardianship services provided by staff or through contracts. (\$1.7m GR/\$1.7m AF)
- Additional contracted assisted living facility (ALF) ombudsmen are included to address growth in the number of ALFs. (\$1.9m GR/\$1.9m AF)
- In response to a lack of respite care for many Texas communities, this proposal would expand the number of caregivers reached by the Texas Lifespan Respite Care program. (\$2.0m GR/\$2.0m AF)
- The annual cost cap on HCS dental services would be increased from \$1,000 to \$2,000. (\$8.3m GR/\$19.3m AF)
- This item would provide resources so that eligible four-bed HCS facilities could install sprinkler systems. (\$5.9m GR/\$13.8m AF)
- The continued growth of licensed home health and ALF providers has generated a need for more DADS regulatory professionals who can ensure the safety and welfare of often-fragile consumers. (\$1.4m GR/\$3.0m AF)

MOF (\$ in millions)	FY 2016	FY 2017	Biennium
GR Related	\$13.4	\$7.8	\$21.2
All Funds	\$27.4	\$14.3	\$41.7

FTEs	23.0	33.0
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Program Impact: Key Service Indicators, Home and Community Support Services Agencies		
	FY 2016	FY 2017
Inspections per year	209	213
Licenses issued	156	161
Complaint investigations conducted	115	117

Exceptional Item 8

Maintaining/Improving SSLC Operations

- DADS would use funding from bond proceeds to make necessary life-safety repairs and renovations at SSLCs. (\$0.0m GR/\$94.0m AF [general obligation bonds])
- A 10-year replacement plan for client service vehicles would be implemented to ensure safe and efficient transportation of SSLC residents. (\$3.0m GR/\$3.0m AF) [SB 2 funds vehicles based upon a 20-year/150,000 mile plan]
- A proposed SAO reclassification of qualified intellectual disability professionals would be funded under this proposal. (\$2.1m GR/\$4.9m AF)
- This item would support care management services to all 13 SSLCs, external quality oversight of the supports and services for SSLC residents, and activities improving continuity of services for residents transitioning into an integrated community setting. (\$3.0m GR/\$7.1m AF)

MOF (\$ in millions)	FY 2016	FY 2017	Biennium
GR Related	\$4.1	\$4.1	\$8.2
All Funds	\$101.5	\$7.5	\$109.0

Exceptional Item 9

ADRC Support for Veterans

- DADS is requesting \$2.2 million in GR and AF to provide a veterans resource navigation specialist at each of Texas' 22 Aging and Disability Resource Centers (ADRCs).
- These trained navigation specialists are required to ensure veterans have streamlined access to the complex systems of benefits and programs to which they are entitled.
- These specialists will work with existing veteran support systems to provide information, referral and assistance to veterans regarding VA benefits, healthcare systems and military support referral sources.

MOF (\$ in millions)	FY 2016	FY 2017	Biennium
GR Related	\$1.1	\$1.1	\$2.2
All Funds	\$1.1	\$1.1	\$2.2

Items Funded in HHSC Request

- Improving retention and recruitment of direct care professionals, including:
 - direct support professionals
 - community attendant care workers
 - direct care registered nurses and licensed vocational nurses
 - custodial and laundry staff
 - food service personnel
- Food service and nutrition care management software to expand and upgrade system to support state-operated facilities
- State-operated regional laundry facilities at SSLCs, equipment replacement and services
- Addressing cybersecurity needs for SSLC perimeter protection, real-time database and application monitoring, and vulnerability remediation of prioritized legacy applications with agency-wide scope
- Employee technical support covering maintenance and lease payments for the existing leased equipment, replacing PCs at the end of the four-year life cycle and no longer adequately supporting business needs
- HHS telecom managed services for telecom/phone systems covering DADS regional and state office systems (SSLCs are currently out of scope)