



State of Connecticut  
Department of Developmental Services

**DDS**

M. Jodi Rell  
Governor

Peter H. O'Meara  
Commissioner

Kathryn du Pree  
Deputy Commissioner

October 27, 2008

Ms. Alyssa Goduti  
35 Cold Spring Road, Suite 522  
Rocky Hill, CT 06067

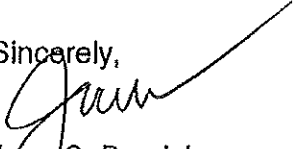
Dear Ms. Goduti,

The Department of Developmental Services (DDS) Office of Communications is in receipt of your recent Freedom of Information Act (FOIA), dated October 22, 2008 and received on October 22, 2008.

After reviewing documents associated with your request #2, we have determined there are 157 pages. One document has four pages and the other has 153 pages. In accordance with CGS 1-212, the copying charge for all documents is 25 cents per page. The department has decided to waive any charges associated with this request only.

Feel free to contact me directly with any additional questions at 860-418-6044. Thank you.

Sincerely,

  
Joan C. Barnish  
Director of Communications and Constituent Services

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CCPA  
35 Cold Springs Road, Suite 522  
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October 23, 2008

Robert L. Genuario, Secretary  
Office of Policy & Management  
450 Capitol Avenue  
Hartford, CT 06106

Dear Secretary Genuario,

As requested in the FY10/11 Budget Options instructions, I, on behalf of the Department of Developmental Services, respectfully submit the Revenue Options, the Reallocation Options and Reduction Options:

**Revenue Options:**

- After having reviewed our current rate structure for both the ICF/MR and the Home and Community Based Waiver programs, we anticipate retroactive billing which will result in one time additional revenue of \$157 million in FY'09. In addition, based upon our current base budget, we anticipate that we will generate annually, an additional \$41.7 million in FY'10 and \$40.2 in FY'11.

**Autism Pilot:** Create a waiver for the autism pilot capped at 75 people to capture approximately \$750,000 annually in FFP.

**Supports Waiver:** There are 286 school graduates who receive state funds for their employment or day supports. They have not been enrolled in the waiver because the state is then obligated to meet all their health and safety needs up to the maximum of the waiver limit which is \$58,000. We propose to design a third waiver called the Supports Waiver to provide up to \$25,000 in supports for individuals. The cost of serving these young adults is \$6.3 million. The state could then collect \$3.15 million annually in FFP based on their existing costs of \$22,000 per person.

**Birth-to-Three:** The rates for this program have not been revised in a number of years. We will be reviewing this issue that may result in an annual increase of \$1.1 million in Medicaid Federal reimbursements.

**Enhanced Revenue**

FY'09	\$157 Million
FY'10	\$42.8 Million
FY'11	\$45.2 Million

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**Reallocation Options:**

**Personal Services** - after review of the first seven (7) pay periods of FY'09, and after totaling overtime year-to-date expenditures as well as our year end projections, we are confident with a request to transfer \$3,547,366 from the Personal Services SID to address some of the need areas stated in the August 28, 2008 Current Services letter that I forwarded to you.

- The Department, as previously submitted, is requesting a transfer of \$756,207 from Personal Services to the Residential Services SID and \$99,092 to the Employment Opportunities and Day Services SID. This will satisfy an obligation for placement of fourteen (14) individuals who, through portability, have chosen different placement options.
- The Department is requesting a transfer from Personal Services to the Other Expenses SID to address building lease increases. The transfer request for FY'10 is \$283,448 and \$337,251 for FY'11; these additional funds will address the following:
  - o Negotiated rate increases for existing buildings
  - o Increases in leases due to energy related costs included in leases
  - o Additional space requirements at existing locations
- The Department is requesting a transfer of \$1,483,447 from Personal Services to the Other Expenses SID to address a chronic structural budget deficit that will address significant increases in energy costs during the past few years.
- The Department is requesting a transfer from Personal Services to the Workers' Compensation SID of \$925,172 for FY'10 (which will leave a projected deficit of \$1,061,226 for FY'10). The projected need of \$1,015,136 for FY'11 remains a Current Services request. These projected increases are based upon the historic pattern of medical cost increases of 10% annually, plus projected indemnity cost increases of 4% annually.

**Grant Accounts:**

- **Rent Subsidy:** The Rent Subsidy request includes increases in this housing subsidy program in FY10 for rising energy costs paid by participants, and increases in rent charges. The utility costs and the rental increases projected for FY10 total \$123,728. We request a transfer from the Community Residential SID to the Rent Subsidy SID in order to address this issue. Due to fluctuation and unstable rent and utility increases, it will extremely difficult to project changes for FY11; if modifications are necessary for FY'11, a request will be forwarded in the Mid Term Budget submission (this request was also included in the Current Services request).

**Other:**

- **Home Health Services Funding Transfer:** The Department is requesting the addition of \$500,000 to the Residential Services SID in both FY'10 and FY'11. In order to facilitate and increase access for individuals/families whom home health services have not been readily available, the Department, in concert with the Department of Social Services, agree that these services can be better provided by DDS. Both departments met and agreed that DSS, through the budget process, would transfer \$500,000 in FY'10 and FY'11 to DDS to address these issues (this request was also included in the Current Services request).

**Reallocation**

\$3,547,366	Personal Services
\$123,728	Community Residential
\$500,000	DSS
<hr/>	
\$4,171,094	

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### Reduction Options:

- As directed, we are including the number of reduction options that will be necessary to reduce our budget by 10%. We have grave reservations about the serious impact these ideas will have on our ability to fulfill our mandatory responsibilities, the quality of services we offer and the stability of the private sector. The elimination of the family support services would take away the small amount of support offered to many families whose children who live at home with them. With minor exception, the proposed cuts would result in the loss of FFP which reduces the net value of the cost reduction by 50%.
- Public Sector Reductions- We are projecting a number of consolidation and downsizing initiatives in the public sector.

These consolidation options will not reduce services to existing consumers but will reduce capacity in community residential and day programs to serve people on the waiting list. Families whose children will have to move are likely to express dissatisfaction.

However, this also includes ending a range of support services to families who children live at home which is often the only support they receive from the department. This may increase emergency placements.

Included in this option are reductions which would have to be negotiated with the bargaining units.

We project saving \$23,589,558 in PS and \$13,603,153 in benefits (Comptroller's Office).

- ERIP Savings- If there is an early retirement offer we can institute further savings by eliminating some programs and not refilling positions. However, there are contractual and statutory complications to the closure of programs. If we did not refill any positions except for those needed for direct support (automatic refills), we would be unable to perform key functions in HR, fiscal, contract management, and quality assurance. This would jeopardize licensing, DPH certification, and HCBS waiver requirements.

We project saving \$7,586,636 in PS and \$8,978,006 in benefits.

The total reductions for the public sector in PS and benefits is \$53,757,353.

- Private Sector Reductions- We are projecting rate adjustments as we have in previous years and an overall rate reduction. Implementation of these strategies will further reduce their revenue and affect their stability. This does not address the issue of the low rate providers.

We project saving \$37,805,885.

- Elimination of Grant Accounts- We can eliminate the small grant accounts that fund in home and community supports for families with children at home. This supports children at home with their families who get no waiver services and depend upon this rather minimal level of support to keep their children at home. This may increase emergency placements.

We project savings \$3,677,755.

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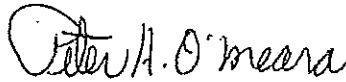
- **Reduction of Fiscal Intermediary Services-** The department was moving in the direction of having all consumers have individual budgets that were managed through Fiscal Intermediaries (FI). This will continue to be necessary for individuals and their families who hire their own staff and do not work with a provider under master contract with DDS. However, the department's current procurement plan continues the construct of master contracts which originally was to be discontinued. We can remove all consumers from FI services whose program is under a master contract.

We project savings \$792,000.

These reductions total \$88,082,101 in fiscal year 2010 and an additional \$7,950,892 in fiscal year 2011 for a total of \$96,032,993.

After review of this document, we would welcome a meeting with you in order to discuss our Options submission in greater detail.

Sincerely,



Peter H. O'Meara  
Commissioner

CC: John Bacewicz  
Paul Potamianos  
Judy Dowd  
Kathryn du Pree  
Vincent O'Connell

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Based on Annual Report Total DDS Cost				
	Average Provider Hourly Rate	Standard Hourly Rate	Difference	Cost To Decrease to 10% Adjusted Standard Hourly Rate CAP
CLA Hourly Rate	\$31.80	\$31.14	\$0.66	(\$14,942,954)
SLA Hourly Rate	\$25.83	\$32.20	-\$6.37	(\$992,088)
DSO with transportation	\$22.10	\$21.84	\$0.25	(\$2,663,787)
GSE with transportation	\$17.69	\$17.84	-\$0.15	(\$2,281,646)
SEI with transportation	\$74.47	\$66.23	\$8.24	(\$1,587,594)
Sheltered with transportation	\$13.70	\$12.74	\$0.96	(\$599,097)
				(\$23,067,165)
Note: The DSO, GSE, SEI, and Sheltered above total \$7,132,124, the amount of the Option reduction for "All Employment Opportunities & Day Services based upon hourly rate".				

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