

**Olmstead Advisory Committee Meeting
March 15, 2017 Meeting Minutes**

Department of Rehabilitation
721 Capitol Mall, Sacramento, California

Committee Members Present:

Lisa Shiner	Susan De Marois
Ed Walsh	Debbi Thompson
Timothy Schwab	Barbara Hanna
Robert Taylor	Valerie Agostino
Marty Omoto	Mareva Brown
Michael Humphrey	Janie Whiteford
Michelle Rousey	Sunny Maden (Phone)
Lisa Hall	

State Staff Present:

Secretary Diana Dooley
Will Lightbourne (DSS)
Jennifer Harris (DDS)
Dean Fujimoto (CDA)
Jennifer Kent (DHCS)
Joe Xavier (DOR)
Sarah Brooks (DHCS)
Marko Mijic (CHHS)
Samantha Lui (CHHS)
Pete Cervinka (DSS)
Chisorom Okwuosa (CDA)

Agenda Item 1: Welcome and Introductions

Department of Health Care Services Director, Jennifer Kent, welcomed Committee Members and thanked everyone for serving persons with disabilities in California. She noted Secretary Dooley would be joining later due to a scheduling conflict.

Agenda Item 2: Updates from the Health and Human Services Agency and

Department of Health Care Services Director, Jennifer Kent, provided the update from the Health and Human Services Agency and for Department of Health Care Services (summary, below).

Agenda Item 3: Updates from Departments

Department of Health Care Services (DHCS) Director Jennifer Kent noted that DHCS is aware and sensitive to the conversation at federal level as it pertains to the health reform discussion and the proposal provided by House Republicans last week. The federal proposal touches on a lot on work that has occurred in the last years to implement the Affordable Care Act (ACA), with significant financial changes proposed. DHCS is working internally to figure out both the proposed formula in the House proposal, as it pertains to the per capita cap, and the implications to the overall financing of the Medicaid program. DHCS continues to focus on improving care for California beneficiaries; and proposals, to date, have serious implications for the populations DHCS serves.

Director Kent also communicated the Governor's Budget, as released in January, reflects caution, due to continuing declines in economic indicators related to income tax revenue. Director Kent also provided context for the state law related to Coordinated Care Initiative (CCI), which automatically discontinues the pilot program if the Director of Finance determines that the CCI does not generate the annual net General Fund savings and is therefore not cost-effective. At the end of Fall 2016, it was determined that CCI did not generate those savings, therefore triggering the termination of certain items. Within DHCS, there are Cal MediConnect provisions that allow individuals to be placed in plans for Medicare and Medicaid benefits, as well as to early-enroll duals; DHCS has proposed to allow these individuals to be served under plans that have contracts in the 7 counties.

Department of Social Services (DSS) Director Will Lightbourne emphasized the changes in CCI related to In Home Support Services (IHSS) would have no impact on program functions. Director Lightbourne also discussed a few DSS areas of the Governor's Budget, which may have potential relevance to the Olmstead Committee: a 2.76% COLA in the Social Security Payment (SSP) portion of Social Security Income (SSI)/SSP grant, effective January 1, and is annualized throughout the coming year. This COLA is also applied to the Cash Assistance Program for Immigrants (CAPI). He also discussed projected IHSS caseload growth of about 8% (both in caseload and in hours), bringing total caseload to about 530,000 individuals; the projected budget is \$10.6 billion with possible funding implication of \$300 million (current year) with the proposed ACA repeal proposal. Since 2010-11, the program cost has essentially doubled, with caseload increasing about 23%, primarily due to projected minimum wage increases, as well as changes with caseload mix and the authorized hours per case. Director Lightbourne also mentioned that DSS is working with the United States Department of Agriculture to approved waivers to make it easier for seniors or individuals with disabilities to enroll in CalFresh.

Department of Rehabilitation (DOR) Director, Joe Xavier discussed the Governor's Budget changes for DOR. The budget provides a \$500,000 increase for matching the supportive employment job coaching rate at the Department of Developmental Services

(DDS). Director Xavier also provided an update on the Transitions Program: last year, there were 69 transitions requested and approved, and of those, 56 have successfully transferred into the community. This year, 58 have been requested and approved, with ten having successfully transferred into the community. To support transitions, DOR is adding a one-time \$600,000 fund for a demonstration project that will focus on two areas: (1) diversion, keeping people from going into an institution, and (2) transition of youth from secondary to post-secondary life through education, trade, and employment. The Governor's Budget removes the \$705,000 in base funding for three independent living centers (Placerville, Modesto, Bakersfield). He also discussed the Traumatic Brain Injury (TBI) program, which has a proposed \$800,000 funding adjustment to continue funding seven sites; the TBI is funded using seatbelt penalty fines, however the amount of fines have declined. Director Xavier also mentioned that the Blue Print among California Department of Education (CDE), DDS, and DOR is in final stages of vetting and is anticipated to be published and posted soon.

Department of Aging (CDA) Deputy Director Dean Fujimoto, who was filling in for Director Lora Connolly, provided an update on the Community-Based Adult Services (CBAS) program. CDA is working closely with DHCS on home and community based settings transition. CDA has completed an Individual Plan of Care and are finalizing a Provider Survey that they anticipate sending to provider networks shortly. Deputy Director Fujimoto also noted that the Aging and Disability Resource Connections (ADRCs) program currently has seven designated ADRCs, the most recent designation was Ventura County. There are three different areas (Yuba, Yolo, Placer) currently in the designation process.

Department of Developmental Services (DDS) Fiscal Forecasting Branch Chief, Jennifer Harris, who was filling in for Director Nancy Bargmann, provided an update on the Governor's Budget. The overall budget for FY 2016-17 increased by \$838 million from the prior year, with about half of that resulting from ABX21. DDS found that expenditures for the Community Services Program are increasing, but at a slower rate than projected in May 2016. Expenditures are in operations and purchase-of-service dollars, slight adjustments for transition of consumers receiving Behavioral Health treatments to DHCS, and special session funding from ABX21 last year. Within Developmental Centers Program, the Governor's Budget had some adjustments, with a \$27 million fund shift from reimbursements to General Fund. In this last year, DDS endeavored to prepare to present a Developmental Center-specific budget; this analysis allowed DDS to tie an expenditure to the actual reimbursements received for units in which the residents reside. The 2017-18 Governor's Budget provides a total budget of \$6.9 billion (\$4.2 billion GF), including \$6.4 billion for the Community Services Program, \$497 million for the Developmental Centers program, and \$52 million for headquarters. In 2017-18, DDS projects it will serve approximately 318,000 consumers, of which 42,000 are in Early Start.

The total Community Services budget has increased by \$359 million, as proposed in the Governor's Budget, representing an increase in \$317 million for operations and purchase-of-services, from increased in caseload. There is a \$53 million reduction in Developmental Center Specific Community Placement Program funding for startup, as well as a \$77 million increase to fund Senate Bill 3: State Mandated Minimum Wage Increases. Within the Developmental Centers Program budget, there is an overall decrease of \$76.2 million, resulting from the projected placement of residents and the reduction of 489 staff. By the end of 2017-18 DDS projects there will be 490 consumers residing in the Developmental Centers. The increase in funding for headquarters is for employee compensation and retirement; DDS has requested positions to assist and oversee the development of housing related to the community placement plan as well as improve information security when working with the Regional Centers.

She also provided an update on the Developmental Center closures (Sonoma, Fairview and the General Treatment area at Porterville). Each closure has extensive processes in place to work closely with individuals and their families to identify the individual's needs and to perform comprehensive assessments to ensure all services are in place and coordinated prior to an individual's transition. Since May 2015, when closures were announced, 84 residents have been transitioned from Sonoma; 82 from Fairview; and 65 from Porterville. As of March 1, 2017, there are 294 individuals remaining at Sonoma, 185 at Fairview, and 126 at the General Treatment Area of Porterville. Regional Centers and DDS continue work closely to develop nonresidential services such as dental program, day programs, and mobile crisis services. DDS is also working on development Safety Net proposals and anticipates providing them to the Legislature as part of the May revision.

Agenda Item 4: Discussion on CalABLE

Christina Elliott, Executive Director of the California Achieving a Better Life Experience (CalABLE), provided an presentation on the program, which allows states to create tax-advantages savings accounts for people with disabilities while protecting their eligibility for public benefits. Prior to CalABLE, an individual with a disability could not save more than \$2,000 without impacting their benefits, now an individual can save up to \$14,000 per year and \$100,000 in total before their benefits are impacted. CalABLE is expected to "go live" in California in the late Summer/Fall of 2017.

Agenda Item 5: Discussion on Coordinated Care Initiative

Sarah Brooks (DHCS), Will Lightbourne (DSS), and Pete Cervinka (DSS) presented on the CCI. When created, the CCI contained a provision requiring the Department of Finance (DOF) to evaluate the cost-effectiveness of the CCI program annually. The 2017-18 Budget estimates found the CCI would not be cost-effective and triggered a process to cease statutory provisions related to CCI as of January 1, 2018. The Budget

proposes to extend core elements of the CCI program such as Cal MediConnect, enrollment of dual eligible, and integration of long-term services and supports (except IHSS) into managed care program for two years. The budget is also expected to affect IHSS funding, the Multipurpose Senior Services Program, and the Universal Assessment Tool.

Agenda Item 6: Legislation Watch List

No items to report.

Agenda Item 7: Next Steps and Closing Comments

The meeting adjourned.