



Presentation to the Senate Finance Committee

Department of Aging and Disability Services

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March 15, 2011

Priorities for Consideration

Agency Priorities	FY 2012		FY 2013		BIENNIAL TOTAL		FY2012	FY2013
	GR	All Funds	GR	All Funds	GR	All Funds	FTEs	FTEs
PRIORITY ONE ITEMS								
1 Fully Fund Caseloads	\$ 690.6	\$ 1,651.6	\$ 449.3	\$ 1,052.2	\$ 1,139.9	\$ 2,703.8	-	-
2 Provider Rates (revised)	\$ 203.4	\$ 489.1	\$ 195.1	\$ 458.5	\$ 398.5	\$ 947.6	-	-
3 Safety Net Programs	\$ 56.4	\$ 56.4	\$ 56.4	\$ 56.4	\$ 112.8	\$ 112.8	-	-
7 Promoting Independence	\$ 5.69	\$ 13.69	\$ 16.79	\$ 39.46	\$ 22.5	\$ 53.1	-	-
Subtotal Priority One	\$ 956.1	\$ 2,210.8	\$ 717.6	\$ 1,606.6	\$ 1,673.7	\$ 3,817.4	-	-
PRIORITY TWO ITEMS								
4 PC / Workstation Leases	\$ 1.9	\$ 4.0	\$ 2.0	\$ 4.0	\$ 3.9	\$ 8.0	-	-
5 FTEs for Regulatory Services	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 3.8	\$ 3.8	40.0	40.0
6 FY2012-13 Cost Trends	\$ 33.8	\$ 81.0	\$ 62.3	\$ 146.2	\$ 96.2	\$ 227.2	-	-
8 State Supported Living Centers	\$ 1.3	\$ 54.2	\$ 1.2	\$ 2.7	\$ 2.5	\$ 56.9	-	-
Subtotal Priority Two	\$ 39.0	\$ 141.1	\$ 67.4	\$ 154.8	\$ 106.3	\$ 295.9	40.0	40.0
PRIORITY THREE ITEMS								
9 PACE	\$ 3.4	\$ 8.3	\$ 6.7	\$ 15.8	\$ 10.2	\$ 24.0	-	-
10 IT in Support of Services	\$ 3.5	\$ 11.1	\$ 2.4	\$ 5.5	\$ 5.9	\$ 16.6	-	-
Subtotal Priority Three	\$ 6.9	\$ 19.4	\$ 9.1	\$ 21.3	\$ 16.1	\$ 40.6	-	-
Total	\$ 1,002.0	\$ 2,371.3	\$ 794.1	\$ 1,782.7	\$ 1,796.1	\$ 4,153.9	40.0	40.0

Item #1 – Fully Fund Caseloads and Prevent Further Rate Reductions

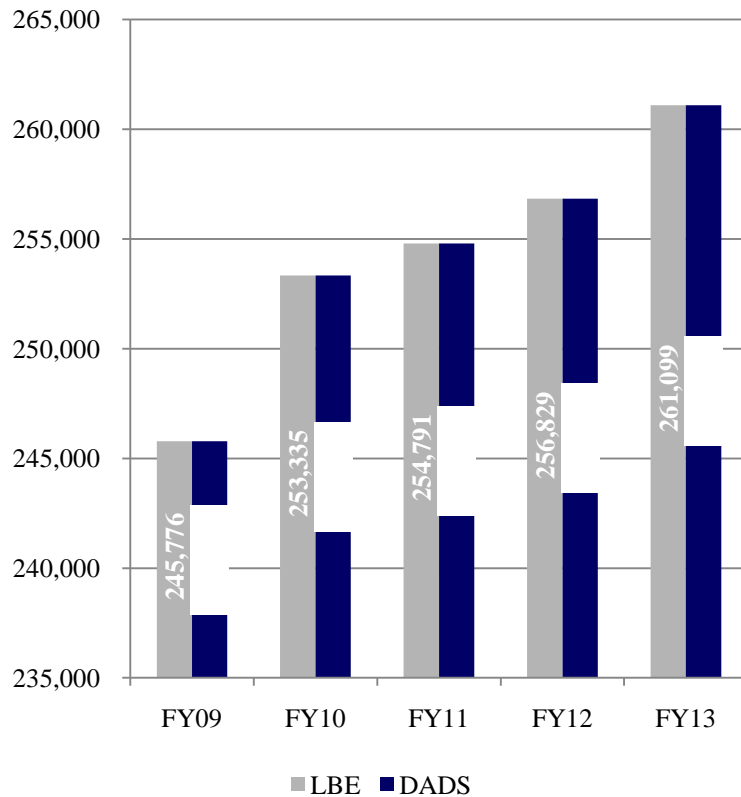
- ❑ Using the performance measures found in SB 1 for caseloads and costs, an additional \$1.1 billion of GR (\$2.7 billion All Funds) is needed in order to meet these performance targets for the next biennium

(\$ in Millions)	FY2012	FY2013	Biennium
General Revenue	\$690.6	\$449.3	\$1,139.9
All Funds	\$1,651.6	\$1,052.2	\$2,703.8

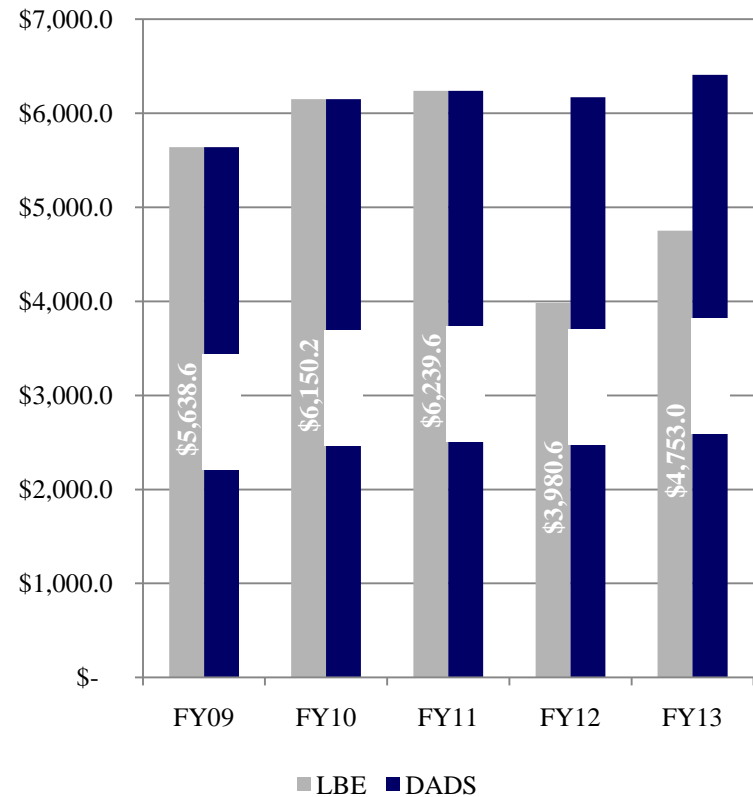
- ❑ The caseload measures were partially adjusted for recent events, primarily related to Medicaid Waiver roll-out
- ❑ Programs Impacted:
 - **All Medicaid Programs**
 - Entitlements
 - Waivers

Caseload-Expenditure Comparison

Caseloads



Expenditures



Item #2

Provider Rates

- ❑ Provider rates need to be sufficient in order to maintain providers' financial stability and ultimately their ability to provide quality care
- ❑ Significantly reduced provider rates will likely impact the providers' ability to provide quality care
 - Community rates are restored 10 percent
 - Nursing Facility and Intermediate Care Facilities (ICF/MR) are restored 5 percent
- ❑ Programs Impacted:
 - All Medicaid Programs
 - Entitlements
 - Waivers

(\$ in Millions)	FY2012	FY2013	Biennium
General Revenue	\$203.4	\$195.1	\$398.5
All Funds	\$489.1	\$458.5	\$947.6

Safety Net Programs

- ❑ This exceptional item restores GR safety net funding to FY2011 funding levels for services for individuals who are aged and disabled (physical and intellectual).
- ❑ The restored funds will provide the following community services: Independent Living, Employment Services, Day Training, Therapies, Respite, and In-Home Family and Support Services.
- ❑ Programs Impacted
 - Community Services for individuals with IDD
 - In-Home and Family Support Services for individuals who are aged and disabled or with IDD

(\$ in Millions)	FY2012	FY2013	Biennium
General Revenue	\$56.4	\$56.4	\$112.8
All Funds	\$56.4	\$56.4	\$112.8

Individuals Served	10,651	10,651	
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Item #7 – Promoting Independence and Preventing Institutionalization

- ❑ Continues the movement of individuals into the Home and Community-Based Services (HCS) waiver program
 - 400 persons from large and medium Intermediate Care Facilities for Persons with MR (ICF/MRs)
 - 192 children aging out of foster care at the Department of Family and Protective Services (DFPS)
 - 240 individuals in crisis situations at imminent risk of institutionalization
- ❑ Establishes 100 Community-Based Alternatives (CBA) Crisis Slots for individuals at eminent risk of institutionalization
- ❑ Programs Impacted:
 - HCS Waiver
 - CBA Waiver

(\$ in Millions)	FY2012	FY2013	Biennium
General Revenue	\$5.7	\$16.8	\$22.5
All Funds	\$13.7	\$39.5	\$53.2

Individuals Served-HCS	208	624	
Individuals Served-CBA	25	75	

PC/Workstation Leases

- ❑ DADS, as well as all other HHS agencies, leases its PC/Workstations in a “seat management” arrangement
- ❑ Leased PCs allow the agency to stay current with PC technology and software
- ❑ SB 1 eliminated the Capital Budget authority and all funding for seat management PC leases
- ❑ Programs Impacted
 - **All DADS Programs and Activities**
 - Access and Intake / Eligibility
 - SSLC
 - Regulatory
 - Administration

(\$ in Millions)	FY2012	FY2013	Biennium
General Revenue	\$1.9	\$2.0	\$3.9
All Funds	\$4.0	\$4.0	\$8.0

PCs Leased	10,100	10,600	
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FTEs for Regulatory Services

- ❑ DADS Regulatory Services licenses and surveys nursing facility, assisted living facility, home health, and other providers to ensure the health and safety of vulnerable Texans
- ❑ DADS was not current on investigation of complaints at nursing facilities and other providers for several years. In 2010, DADS current level of staffing allowed the department to become current and timely in investigations.

(\$ in Millions)	FY2012	FY2013	Biennium
General Revenue	\$1.9	\$1.9	\$3.8
All Funds	\$1.9	\$1.9	\$3.8

ALF's inspected	532	532	
ADC's inspected	133	133	

- ❑ DADS seeks restoration of 40 FTEs to ensure the timely investigation of complaints and incidents in long term care settings.
- ❑ Programs Impacted
 - **Regulatory Services**
 - ALF's – Assisted Living Facilities
 - ADC's – Adult Day Care

FY2012-13 Cost Trends

DADS is experiencing increases in the average cost per individual served in many programs, primarily due to:

- Acuity
- Case Mix Changes
- Utilization Increases
- Inflation

These increases in costs occur every year, affecting the cost trends for long term services and supports

Programs Impacted:

- Medicaid Entitlements
- Medicaid Waivers

(\$ in Millions)	FY2012	FY2013	Biennium
General Revenue	\$33.8	\$62.3	\$96.2
All Funds	\$81.0	\$146.2	\$227.2

State Supported Living Centers (SSLC)

- ❑ SSLCs provide a 24/7 environment that supports 4,200 individuals requiring ongoing planning and replacement of furniture, equipment and vehicles.

(\$ in Millions)	FY2012	FY2013	Biennium
General Revenue	\$1.3	\$1.2	\$2.5
All Funds	\$54.2	\$2.7	\$56.9

- ❑ Vehicles
 - 43 Para-Transit/Wheelchair Vehicles
 - 116 Resident Transportation Vehicles
- ❑ Physical infrastructure at State Supported Living Centers to ensure ICF-MR certification. These repairs would include:
 - Life-safety code requirements; Roofs; HVAC, Plumbing, Electrical, Utilities
- ❑ Programs Impacted:
 - State Supported Living Centers

Program for All-Inclusive Care for Elderly (PACE)

- ❑ DADS currently operates three PACE sites, in El Paso, Amarillo, and most recently, Lubbock
- ❑ The core of the PACE model is an adult day care center with individuals receiving the program’s key services
- ❑ Services include inpatient and outpatient medical care, specialty services (e.g. dentistry, podiatry), social services, in-home care, meals, and transportation. Providers are paid a capitated monthly fee below the cost of comparable nursing facility care.
- ❑ This exceptional item requests
 - funding for two additional PACE sites with 200 slots for each site
 - 150 additional slots for the current PACE sites
- ❑ Programs Impacted:
 - PACE

(\$ in Millions)	FY2012	FY2013	Biennium
General Revenue	\$3.5	\$6.7	\$10.2
All Funds	\$8.3	\$15.8	\$24.1

Individuals Served – New Sites	0	212	
Individuals Served – New Slots	150	150	

Information Technology in Support of Services

- Information Technology will allow the agency to work more efficiently and effectively with less resources
- This item continues the project to replace the two service authorization systems at DADS from their legacy agencies
- Business Intelligence and database software to maintain critical resident information and to provides analysis and reporting for SSLCs
- Replace outdated automated systems used by Regulatory Services, most of which are based on Microsoft Access97 databases
- Contract Application Portal, which will increase the efficiency of the contracting process by reducing application errors on the part of providers and reducing the time required to process applications by contract staff.
- Programs Impacted:
 - Access and Intake
 - State Supported Living Centers
 - Central Administration
 - All Providers

(\$ in Millions)	FY2012	FY2013	Biennium
General Revenue	\$3.5	\$2.4	\$5.9
All Funds	\$11.1	\$5.5	\$16.6