

HOUSE BILL REPORT

HB 2432

As Reported by House Committee On:
Early Learning & Human Services
Appropriations

Title: An act relating to enacting planning measures and strategies that provide for future long-term service and support needs of people with intellectual and developmental disabilities in Washington state.

Brief Description: Concerning long-term planning for developmental disabilities services.

Sponsors: Representatives Green, Walsh, Kagi, Zeiger, Farrell, Freeman, Jinkins, Tarleton, Roberts, Bergquist, Buys, Sawyer, Morrell, Tharinger, Senn and Santos.

Brief History:

Committee Activity:

Early Learning & Human Services: 1/30/14, 2/5/14 [DPS];
Appropriations: 2/10/14 [DP2S(w/o sub ELHS)].

Brief Summary of Second Substitute Bill

- Requires that the Developmental Disability Administration identify stakeholders to participate in work groups, at their own expense, and report to the appropriate committees of the Legislature on issues raised by the July 31, 2013, State Auditor's Developmental Disabilities Program Evaluation by January 1, 2015.
- Requires that the Department of Social and Health Services implement a Medicaid program to replace the Individual and Family Services program by May 1, 2016.

HOUSE COMMITTEE ON EARLY LEARNING & HUMAN SERVICES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Kagi, Chair; Freeman, Vice Chair; Walsh, Ranking Minority Member; Fagan, Goodman, MacEwen, Ortiz-Self, Roberts, Sawyer, Senn, Young and Zeiger.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Minority Report: Do not pass. Signed by 1 member: Representative Scott, Assistant Ranking Minority Member.

Staff: Luke Wickham (786-7146).

Background:

There are a number of services available to individuals with developmental disabilities in Washington. The Developmental Disability Administration (DDA) provides services such as housing, medical care, personal care, and job training. Some individuals receive care in Residential Habitation Centers (RHCs) and others receive services in community living situations or their own homes. There are four RHCs in Washington including Lakeland Village, Yakima Valley School, Fircrest School, and Rainer School. The Medicaid waiver for Home and Community Based Services includes a range of services depending on an individual's living situation and needs. Waivers will pay for community residential services, personal care, respite, supported employment, behavioral management, equipment and supplies, therapies, and skilled nursing. However, waivers are not an entitlement and slots are limited to available funding.

State Auditor's Developmental Disability Program Evaluation.

The State Auditor released a Developmental Disabilities Program Evaluation (Auditor's Evaluation) on July 31, 2013. This Auditor's Evaluation reported that of the 35,150 people who have applied and are eligible for services, 15,100 people are on the waitlist, 7,800 people receive partial services, and 12,500 people receive full services. Those on the waitlist have been waiting an average of three and a half years. The report found that supporting a client in an RHC incurs twice the average cost of the most expensive community-based residential service option. It found that there are virtually no crisis stabilization programs at the community care level near the majority of clients. It also found that the opportunities for integrated employment depend largely on where a person lives.

The Auditor's Evaluation also made recommendations that the Legislature set policy that directs the DDA to develop strategies to maximize cost-effective service options and set policy to reduce the number of eligible people awaiting services. It also recommended that the DDA should provide financial incentives to counties to encourage equal access to integrated, individual employment for clients regardless of where they live in the state.

Summary of Substitute Bill:

The DDA shall identify stakeholders to participate in work groups, at their own expense, to report to the appropriate committees of the Legislature by January 1, 2015, on issues raised in the Auditor's Evaluation. This report must include:

- providing community funding scenarios to phase in the 15,000 people who are on the no-paid services waitlist;
- expanding data gathered during the initial developmental disabilities application process to improve waitlist management;
- streamlining the eligibility and assessment processes;

- providing options for more community crisis and respite support;
- expanding community peer support networks;
- reviewing how other states use shared support hours for community living;
- identifying additional community residential options;
- developing strategies to increase employment hours and wages;
- reviewing community access rules;
- retaining an adequate workforce;
- streamlining the developmental disabilities system;
- identifying mechanisms for improved contract monitoring;
- researching and analyzing moving the developmental disabilities system to a managed care approach; and
- identifying Medicaid waiver and state plan options that could make better use of state funds while making the service delivery system more accessible to people in need of the service.

The Department of Social and Health Services (DSHS) must plan, develop, and implement a Medicaid program to replace the Individual and Family Services (IFS) program no later than May 1, 2016. The new Medicaid program must offer services that closely resemble the services currently offered by the IFS program.

Substitute Bill Compared to Original Bill:

The substitute bill requires the DSHS to plan, develop and implement a Medicaid program to replace the Individual and Family Services (IFS) program no later than May 1, 2016. The new Medicaid program must offer services that closely resemble the services currently offered by the IFS program.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This follows up on the Auditor's Evaluation. The majority of individuals with developmental disabilities receive services at home or in their communities. The problem is that we have a system that is outdated and still focused on residential treatment when the majority of individuals receiving services are in their homes or communities. Respite is the primary service that individuals are not receiving and it is important to support the peer support networks because those mostly rely on volunteers. The State of Washington should be proud that our employment levels are the best in the nation, but the day service programs need improvement.

(In support with concerns) Waiver revisions and petitions to decertify the state are major issues that will affect services for individuals with developmental disabilities. The State of Washington has no obligation to provide services to individuals with developmental disabilities. There are serious implications of the current changes. Immediate attention is needed to address the impending crises and it is not appropriate to conduct work groups while so much change is underway. This bill is built on the findings of an audit that is not accurate and is incomplete. The time frame that is in this bill is totally inadequate. More time is needed to convene workgroups. An additional six months should be added to the time frame for these work groups.

(Opposed) The bill should be amended to include the RHCs and representation from the RHCs. The language in the bill related to self-direction should be stricken from the bill. There should be also be a preventative focus in this bill to prevent abuse and neglect. Currently the focus of quality control is reactive instead of proactive.

Persons Testifying: (In support) Representative Green, prime sponsor; Sue Elliott, ARC of Washington State; Donna Patrick, Developmental Disabilities Council; and Marcie Osborne, Community Employment Alliance.

(In support with concerns) Loren Freeman, Freeman and Associates; and Terri Anderson.

(Opposed) Saskia Davis.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Early Learning & Human Services. Signed by 30 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Chandler, Ranking Minority Member; Ross, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Carlyle, Christian, Cody, Dunshee, Fagan, Green, Haigh, Haler, Harris, Hudgins, G. Hunt, S. Hunt, Jinkins, Kagi, Lytton, Morrell, Parker, Pettigrew, Schmick, Seaquist, Springer, Sullivan, Taylor and Tharinger.

Staff: James Kettel (786-7123).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Early Learning & Human Services:

The Department of Social and Health Services (Department) is authorized to increase the number of clients served within the new Medicaid waiver. However, annual expenditures for client services in the new Medicaid waiver, as well as annual expenditures for any staff necessary to implement the new waiver, must either remain cost neutral or within an alternate amount specified in the omnibus appropriations bill.

A null and void clause was added, making the bill null and void unless funded in the budget.

Appropriation: None.

Fiscal Note: Requested on February 9, 2014.

Effective Date of Second Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony:

(In support) There is an on-going need to discuss the concerns outlined in the auditor's report. It is important to consider potential reforms to services provided to people with developmental disabilities. Individual and Family Services (IFS) has been a very successful program. The IFS has also had a lot of flexibility. Directing the Department to include services that are similar to IFS in the new waiver is a great idea. Capturing additional funds by converting IFS to a Medicaid waiver would give a chance for additional clients to receive paid services. Pursuing a waiver seems like the logical thing to do.

(Opposed) None.

Persons Testifying: Donna Patrick, Developmental Disabilities Council.

Persons Signed In To Testify But Not Testifying: None.