

Interoffice



MEMORANDUM

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| TO: | Parents, Guardians and Family Members |
| FROM: | Larry Duck, Superintendent |
| SUBJECT: | Updates on MCBMRDD program issues |
| DATE: | June 30, 2005 |

1) **Meetings and communications regarding MRDD programs:**

The Mahoning County Board of MRDD has held two community meetings for parents, guardians and family members on April 14 and May 25. I have enclosed a copy of a letter to Elaine Walters, Director of the MCCRC Parent Council regarding a request for a meeting with a small group of parents who have been critical of the Board and Superintendent. I have tried to keep parents informed through correspondence and meetings on the many important changes taking place in the MRDD system in Ohio and Mahoning County. As you can see in the letter, our next step was to find out what FINAL action was to be taken by the State of Ohio with the next State budget AND what FINAL administrative rules would be set into place to deal with the loss of CAFS funding after June 30, 2005. Our two objectives are:

A. Maintain long-term financial stability after CAFS ends

In order to do this we will have to develop a realistic operating expense budget that does not exceed our yearly revenue to support the program. We cannot allow the MRDD program to fall into a "fiscal emergency" status." Our current budgeting approach will prevent that from taking place.

B. Maintain existing MRDD programs in the community to the greatest extent possible after CAFS

This will mean services may have to change. This could mean different providers, and new service sites. In some cases, it could mean a reduction in services.

Some individuals have commented about these issues at the Board meetings and through letters to the editor, stating their opinion about available funding, or the need for program changes. We respect everyone's right to have their own opinion on these issues.

Unfortunately, most of these statements and letters are not true. Our administrators, including me and various state officials who are working on these issues, are the people who are in the best position to understand the real facts surrounding the changes taking place.

We have contact with nearly 1200 families of consumers. Right now, the administrators are concentrating on learning how to handle the paperwork involved with the "replacement funding" created by the State. The program administrators who work directly with families will explain changes that may be taking place over the next two to six months. This is a very emotionally tense time for all of us.

Please be patient and understanding of the situation. I assure you the MCBMRDD Board and administrators are doing everything they can to find new funding to replace CAFS, and to work through the changes in programming that will be taking place in the next year.

I have said this before, and I will leave you with this thought. Our program will adjust to the loss of the CAFS funding. If we pass our two renewal levies in 2005 and 2006, we will level off in 2006 with a budget of approximately \$21-22 million. Some programs we previously provided will continue, but will be handled by other providers. Agencies such as the Help Me Grow early intervention program and the Mahoning County Educational Service Center (MCESC) preschool program will be part of the MRDD service delivery system in Mahoning County.

The remainder of this letter will give you information on replacement funding, changes in adult services and some answers to questions frequently asked. Please check our website at mahoningcounty.mrdd.org for weekly updates.

2) Replacement money after CAFS

Some employees and parents believe there will be “replacement funding” after CAFS ends on June 30, 2005 that will be equal to the amount of CAFS money lost. **THIS IS NOT TRUE.** We believe the MCBMRDD will receive roughly one-third of the \$4 million we are losing in CAFS. Following is a brief list of the sources of new money or “replacement funding” available to MCBMRDD after June 30, 2005.

A. ODMRDD funding for 37 clients from Youngstown Developmental Center

The ODMRDD has an agreement with Federal Medicaid Agency (CMS) and county boards of mrdd to provide Federal matching funds (60% of daily rate) for the developmental center clients attending county boards’ workshops. For Mahoning County, that means 37 clients cost of adult day services will be paid. MCBMRDD will pay the “local match.” For the next six months we will receive 60% of \$348,452 or \$209,172 in replacement money. If that numbers stays good for 2006, we could receive up to **\$418,344 per year** in funding

B. Day Habilitation Waivers

A new administrative rule allows county boards to bill for skills development service under the category of day habilitation services (including transportation). This new funding source has limits.

- Only clients with waivers can be billed to these sources. We have 174 clients on waivers out of 550 clients in adult services.
- Not all of the 174 waiver clients go to adult services. At least 24 do not attend or go to other providers such as Purple Cat. The MCBMRDD must pay the local match for billed services at the county board, under this program.
- The billing rate for adults under CAFS was for a day of service regardless of how long the client stayed that day. The new rate is billed in units of 15 minutes. So, there may be less than a full day of reimbursement and there is a lot of administrative paperwork. Estimated amount of replacement money is **\$1,227,744 (for one year).**

C. **Waiver Administrative Claiming**

This is a new proposal to recover administrative costs, investigative agent cost and possibly transportation. We are sending administrative staff to learn how to bill this new procedure. There is a lot of time consuming paperwork with this. Estimated money **\$75,000 (for one year)**, but we won't know for about a full year how this will work out for us.

D. **Increased Rate for TCM (Targeted Case Management)**

TCM is billed in units of 15 minute intervals. If the proposed unit rate is approved, we could realize roughly \$63,000 in additional funds. **Estimated money \$63,000** (for one year).

E. **Public Schools "Charge back"**

The public schools could be billed for "professional services" such as O.T., PT, Speech, etc., for students attending LKS. We will have to negotiate this with each public school district. **Estimated money \$75,000** (for one year), **IF** it happens.

Summary of "new money" for a full year: **Estimated \$1,859,088** vs. over \$4 million in lost CAFS money.

3) **ICF-MR Client CARE after July 1, 2005**

There are three ICFMR providers in Mahoning County sending clients to our adult service programs, (three workshops and the retirement program). The State of Ohio will provide "add-on" funding to the ICF-MR's after July 1, 2005 to provide adult day programming for the residents of the ICF-MR. We have three ICF-MR's - *Gateways to Better Living - 130 clients; Consumer Support Services - 26 clients and Youngstown Developmental Center - 37 clients, for a total of 193 clients.*

In Mahoning County, two things will happen on July 1:

- A. YDC will continue to send its 37 clients to our workshops and we will receive 60% reimbursement (Federal match) for our costs.
- B. Gateways and CSS will receive \$32.32 per day times seven days per week to provide adult day services in one of three ways:
 - 1. Pay MCBMRDD the \$32.32 to have the client continue to attend our workshop.
 - 2. Keep the money and operate its own day program.
 - 3. Use the money to purchase day services from another provider.

ICF-MR clients will have to participate in the ICF-MR agency's day program if the ICF chooses to start a workshop or activity program.

At this time, Gateways has expressed an intention to operate an adult day program by January 1, 2006, or sooner. Gateways has indicated they would pay MCBMRDD to continue workshop participation from

July 1, 2005 to December 31, 2006. CSS has notified us they would stop sending their clients to the MCBMRDD programs as of July 1, 2005. If Gateways and CSS both pull all 156 clients out of current adult services programs, that is roughly the number of clients attending one of our three MASCO workshops.

4) Will MCBMRDD close a workshop?

There are two ways that a workshop would close:

- A. Gateways and CSS begin operating an active treatment program of their own and pull out 156 clients.
- B. If Gateways and CSS do not pay us the “add-on” money made available to them by the State of Ohio, we would have to close a workshop for financial reasons. Even if Gateways and CSS paid us all of the “add on money” available to them, we would still have to make cutbacks.

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| 232 | = | number of program days per year |
| \$32.32/day | = | add-on rate/Mahoning County |
| 156 | = | number of CSS and Gateways clients |
| 232 x \$32.32 X 156 | = | \$1,169,725 |

This is not enough money to balance our budget because it is not equal to our current rate for active treatment plus transportation (\$85/per day).

5) Will MCBMRDD close Leonard Kirtz School?

The school will not close in the 2005-06 school year. We will operate 12 units for school age and one preschool unit. MCECSC will operate two preschool units at LKS and will employ the laid-off preschool teacher.

The decision regarding the school’s future will be addressed on a year to year basis. The school is not a mandated service. However, the Board wants to see special education services continue at LKS whether they are provided directly by our employees or in collaboration with the public school system.

6) What about the school lawsuit to save the CAFS program?

The Kissel lawsuit was filed in March 2005 by Franklin County Schools to block the termination of the CAFS program. Public schools in Ohio were scheduled to lose \$67 million in CAFS funding per year. That lawsuit was settled in June 2005 with an agreement that CAFS would end on June 30, 2005; the schools would drop their temporary restraining order and Ohio schools would get \$20 million (compared to \$67 million) from Ohio in short-term funding in place of CAFS (Note that \$20 million replacement is roughly one-third of \$67 million CAFS funding). Please note this settlement does not have any effect on CAFS money in the MRDD system. It only affects public schools.

7) Are other county board’s cutting back because of CAFS?

A letter to the editor was written that said MCBMRDD is the only county cutting back and other counties were waiting before making changes. This is not true.

- A. Our CAFS funding STOPS on June 30, 2005. Every day we wait to act will make our financial problem worse. Our financial projections are based on realistic estimates of replacement funding and our projection of operating costs IF we make no changes. We believe our actions are timely and appropriate to the needs of the present situation.
- B. Other county boards have cut back. Two examples of large cutbacks occurred in Butler and Hamilton County Boards of MRDD.
 - Butler County will close 13 of its 15 preschool units. Operations of those preschool classes will be handled by local public school districts. 11 teachers and 13 teacher aides will be laid off.
 - Hamilton County will close Breyer School, one of its three schools, The 65 students will receive their education at local public schools next year.

These are just examples of County Board of MRDD's program cuts. Preschool, school-age, and early intervention services have been the areas most affected statewide. However, county boards have also made cuts in adult services, case management and transportation services.

It is not helpful when statements are made that Mahoning County Board of MRDD is the only county board cuttings its budget and programs. We are making program changes so that we continue to have financial and program stability based on future revenue projections. We have tried to offer alternative programs such as Help Me Grow and preschool units run by the Mahoning County Educational Service Center.

8) What's next?

- A. It appears certain we will lose roughly 156 clients from our Adult Services program between July 1, 2005 and Dec. 31, 2005, when CSS and Gateways begin providing their own active treatment to adult clients. This will result in the closing of the Rayen workshop by the end of December 2005. We need to work with these providers and our families and consumers to assure a smooth transition through this major change in services. We can collaborate with Gateways and CSS to help the ICF-MR clients maintain a connection to our programs. This could include attending Meshel Activity Night and Bev Library Night, as well as cooperation on contract work performed by the MASCO workshops. We have had that relationship with Youngstown Developmental Center for years.
- B. We need to pass our 3-mill levy in November 2005. That levy brings in \$11.5 million to our program. Please help when asked to do so.
- C. Focus on the positive things that are happening:
 - 153 Javit Court is opening by September 2005 and will offer a wonderful program for our most vulnerable clients.
 - The school will be able to have larger classrooms once the Retirement program moves to 153 Javit.

- Our Adult Services waiting list has been eliminated. No one wanting services has to wait. This is a major achievement.
- The SSA Department has effectively eliminated the case management waiting list that existed four years ago. This has been as a result of: 1) consolidation of service coordinators and case management jobs into the SSA position, 2) hiring additional SSA staff; 3) using the “service-response” model for low needs casework activity.

This has been a difficult and eventful year. We are managing the situation and will hopefully see things settle down early in 2006.

Please be patient and supportive. We will be sending more information out to parents in late July.