



DEVELOPMENTAL DISABILITIES AREA BOARD 10

*Protecting and Advocating for Persons with
Developmental Disabilities in Los Angeles County*

PROPOSALS TO ACHIEVE \$234 MILLION IN REGIONAL CENTER SAVINGS

Proposals Which Alter the Service System

- ***Offer consumers/parents the option of using vouchers and self-directed services***
Comments: This proposal assumes that many consumers would be willing to accept a capped budget that is 10% less than what regional centers were purchasing for them if it gives them more choices and more control.
Estimated Savings: \$13-27 million
(Assumptions: 5%-10% of eligible consumers participate at an average per capita Purchase of Service (POS) cost of \$12,000 per year.)
- ***Cap utilization of day program services that are not supporting or leading to employment to four days a week, with an exception clause in place***
Comments: We concede that any proposal that establishes an arbitrary limit on services is of concern; nevertheless regional centers have long set service limitations in the form of service standards, a necessary tool in managing a fixed POS budget.
Estimated Savings According to DDS: \$107.5 million

Proposals That Achieve Savings in DDS Headquarters & Regional Center Operations (Transfer Saved Funds to Purchase of Services)

- ***Suspend Direct Support Professional Training – Actual Savings: \$4.9 million***
- ***Reduce OAH Contract by requiring that Regional Centers offer mediation as a less costly and friendlier alternative to Fair Hearings – Estimated Savings: \$1 million***
- ***Temporarily Eliminate Risk Assessment Project – Actual Savings: \$1 million***
- ***Reduce staffing for CPP (Community Placement Plans) – Estimated Savings: \$2-4 million***
- ***Suspend Awarding Wellness Grants – Actual Savings: \$1.5 million***

- **Merge 3 Regional Centers to eliminate some senior management costs**
This may result in improved service delivery.
Savings According to DDS: \$1.5 million
- **Permit regional centers to inactivate school-age children's cases if:**
No services are being purchased, the parent agrees, and the case can be reactivated upon request.
Estimated Savings: \$8.75 million
(Assumptions: There are approximately 33,000 regional center school-age children who receive no purchased services. If one fourth agree to have their cases inactivated (8,250 children), the regional centers will need 125 fewer service coordinators.)
(Calculations: salary/benefits/travel/overhead at \$70,000 per service coordinator.)

Proposals Which Access Alternative Funds

- **Adopt legislation that would establish a dispute resolution process so regional centers could recoup costs that are the responsibility of another agency**
Estimated Savings: Unknown
(Assumptions: Support passage of AB 140, sponsored by ARCA.)
- **Assist families to access medical insurance for some therapeutic/treatment services when appropriate**
Comments: Established law requires medical insurers to treat mental disorders the same as physical disorders. Some families may be willing to pursue this option if they get advocacy assistance.
Estimated Savings: \$2.75 million
(Assumptions: This was conservatively calculated based on a tiny fraction (1%) of the \$277,500,000 expended under the category "Miscellaneous", which includes behavioral interventions and other therapies.)
- **Capture additional federal funds through a variety of means including:**
 - "downsizing" large residential facilities – **Estimated Savings: \$10.7 million**
 - Finalize a State Medicaid amendment that would allow the state to bill for day programs services for people who reside in ICF/DD facilities – **Estimated Savings: \$44 million**
 - Increase the number of people and categories of services that can be billed to the federal waiver – **Estimated Savings: \$15 million****Total additional federal funds captured: \$69.7 million**
- **Promote utilization of grass roots resources like churches, generic nonprofit organizations and parent cooperatives**
Estimated Savings: Unknown

Long-Term Savings Proposal

- ***Reduce overall developmental disability costs by merging two state developmental centers (Lanterman Developmental Center in Pomona with Fairview Developmental Center in Costa Mesa)***

Comments: California's developmental centers (DC) house about 1% of all Californians with developmental disabilities but at a cost of 15% of the total DDS budget. The annual cost of keeping one person in the DC averages \$272,000. The DC population is about half what it was 10 years ago so the state is maintaining large expensive campuses to serve a fraction of their capacity.

Estimated Savings: A significant portion of Lanterman Developmental Center's total annual budget of \$115,786,000, conservatively estimated as **\$20 million.**

TOTAL ESTIMATED SAVINGS: \$233.6 – \$249.6 MILLION

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