

# Summary of FY 2009-2010 Cost Containment Initiatives



*The Budget for 2009-2010 was signed by the Governor on July 28, 2009. Trailer Bill Language (TBL) AB9 has now become law. The Department of Developmental Services (DDS) was mandated by the Legislature to identify \$384 million in savings reductions since February and all 21 regional centers have been notified by DDS of many proposed changes to the Welfare and Institutions Code (the Lanterman Act). These changes will have a significant impact on many of our families and consumers as well as how SCLARC delivers the services upon which our stakeholders depend.*

The Board of Directors, Leadership and staff of South Central Los Angeles Regional Center are committed to providing services as prescribed by the Lanterman Act. As stated above, the regional center system has been directed by the Legislature to cut \$384 million from its budget, and Trailer Bill Language AB9 drastically changes the provisions of the Lanterman Act.

### ***What this means to you?***

You or your loved one's services may be impacted during this fiscal year. Please be advised that the attached cost containment initiatives may prohibit the regional center from purchasing a number of services on your behalf. Additionally, certain services will be "suspended" until the development and implementation of a new service option called the Individual Choice Budget Model. Many of these reductions will affect services that are already authorized in Individual Program Plans (IPP),



or Individualized Family Service Plans (IFSP). Your service coordinator will contact you in the coming days to discuss the required changes and how you will be affected.

We know that the reductions to services will impact our stakeholders. But please remember that by helping to achieve these savings, you are helping to ensure that the Lanterman Act will be around for future generations. Simply put, if we fail to achieve the required savings, we could be putting our system at great risk.

***If you and your service coordinator are unable to reach an agreement on the***

***reduction(s), you will be provided with a notice of action and information regarding the appeal rights process.***

Under the Lanterman Act, consumers and families have the right to appeal any decision or action of the regional center with which they are dissatisfied. But before you exercise this right on behalf of your loved one, we hope that you will read the materials presented, speak at length with your service coordinator, attend the community meetings (**SEE BACK PAGE FOR SCHEDULE**) regarding the cost reduction implementation plan with an open mind and partner with SCLARC in the spirit of cooperation as we continue to serve the agency's 10,000 consumers and families.

Sincerely,

*Dexter A. Henderson*

Dexter A Henderson  
Executive Director, SCLARC

# Summary of Cost Containment Provisions

The summaries presented here are brief excerpts of the new cost containment provisions as mandated by Trailer Bill Language AB9. Please refer to [www.dds.ca.gov](http://www.dds.ca.gov) or [www.sclarc.org](http://www.sclarc.org) for more detailed information.

## General Standards

- **Purchase of Experimental Treatments:** Experimental Treatments, therapeutic services or devices that have not been clinically determined or scientifically proven to be effective or safe or for which risks of complications are unknown, can no longer be purchased by regional centers.
- **Maximizing Generic Resources:** Regional centers are now prohibited from purchasing any service that would otherwise be available from Medi-Cal, Medicare, In-Home Supportive Services (IHSS), California Children's Services (CCS), or private insurance if a person served or family meets the criteria to receive the services but chooses not to pursue that coverage.
- **Documentation of Denial by Generic Resource for Medical/Dental Services:** A letter of initial denial and documentation of an unsuccessful appeal for medical and dental services must be received by the regional center before payment will be considered. The law allows regional centers to pay for medical and dental services while coverage is being pursued.
- **Least Costly Vendor:** The planning team is now required to review the cost of providing services or supports of comparable quality by different service providers and to choose the least costly available service provider, including transportation, who is able to accomplish all or part of the individual's IPP. The person served is not required to use the least costly service provider if it will result in the individual moving from an existing provider of services or supports to more restrictive or less integrated services or supports.
- **Annual Statement of Services:** Families and consumers will receive an annual statement showing the services and supports purchased by the regional center.
- **Early Start** Changes will take place as of October 1, 2009.
- **Use of Private Insurance:** Families will be required to use private insurance for medical services other than for evaluation and assessment.
- **Eligibility for Services:** Eligibility for services will become more restrictive for children older than 24 months of age. Infants at risk for developmental delay will no longer be eligible for Early Start services; these children may be eligible for a Prevention Program under development by the DDS.
- **Non-required Services:** Regional Centers will no longer fund services that are not federally required, with the exception of durable medical equipment.

## Adult Related Provisions

- **Large Facilities** (16 or more persons): New large facilities (16 or more persons) licensed by the Department of Social Services will no longer be vendored by regional centers unless the facility qualifies for receipt of federal funds under the Medicaid program.
- **New Senior Service Option:** An Alternative Senior Program component for persons over 50 years of age will be offered by ALL day programs vendors.

- **Supported Living Services:** For individuals receiving supported living services, all appropriate and available sources of natural and generic supports must first be utilized to the fullest extent. Supported Living Services must be provided by the same agency in a residence, provided that each individual's particular needs can still be met pursuant to his or her IPP. Additionally, the person served, and any roommate, must make all rent, mortgage, or lease payments and be responsible for household expenses. In-Home Supportive Services (IHSS) must be fully accessed.
- **Uniform Holiday Schedule:** A 14-day Uniform Holiday Schedule is required to be implemented for certain types of programs and services which may be adjusted by DDS. The regional center may not pay for these services on any of the holidays. The Uniform Holiday Schedule and impacted programs will be posted on SCLARC's website when it is made available in the future.

## **Family Related Provisions**

- **Group Training for Parents on Behavioral Intervention Techniques** will be offered to parents of children requiring in-home behavioral intervention support
- **Neighborhood preschools:** Regional Centers are required to promote the use of neighborhood preschools as an option for services in lieu of infant development programs.
- **Behavioral Services Standards** for Applied Behavioral Analysis (ABA) or intensive behavioral intervention services will not be purchased for the purposes of providing respite, day care, or school services. Provision of ABA or intensive Behavioral intervention services, or both, requires that parents participate in the intervention plan.
- **Transportation:** Transportation for minor children will not be funded unless the family provides sufficient written documentation to demonstrate that they are unable to provide transportation for the child. Additionally regional centers must find the least expensive transportation that meets a consumers needs as intended in the IPP or IFSP.
- **Temporarily Suspended Services:** Temporarily suspended services (camping services and associated travel costs, social recreation activities, educational services for children ages three to 17, and non medical therapies including but not limited to specialized recreation, art, dance, and music) will no longer be funded pending implementation and certification of the Individual Choice Budget Program (see below).
- **Individual Choice Budget** option is being developed as an alternative service delivery model that provides funding for obtaining services and supports within a finite budget that provides a balance between increasing individual choice and regional center cost savings.
- **Respite Services:** No more than 21 days of out of home respite in a fiscal year nor no more than 90 hrs of in-home respite in a quarter may be purchased for an individual by a regional center.
- **Expansion of In-Home Respite Agency Worker Duties:** Incidental medical services may be provided by an in-home respite agency worker who is not a licensed health care professional but who is trained by a licensed health care professional.
- **The Parental Fee Program** for children placed out-of-home has been updated to reflect the cost of raising a child in California based upon the USDA's Report, "Expenditures on Children by Families." For children placed out of home prior to July 1, 2009, DDS is to determine the increase in the parental fee above the amount assessed using the fee schedule in effect on June 30, 2009. The fee increase is to be implemented over a three year period.

## SCHEDULE OF COMMUNITY MEETINGS

In order to explain how SCLARC's partnerships with our consumers, families and vendors will be impacted, we are hosting a series of communities meetings to explain the Trailer Bill Language, how it will affect services and service delivery as well as when implementation of the new standards, will take place.

DATE/TIME		MEETING
August 13th	5:30 p.m. to 7:00 p.m.	Performance Contract
August 17th	2:00 p.m. to 4:00 p.m.	ILS/SLS Vendors
August 18th	3:00 p.m. to 4:30 p.m.	All SCLARC Vendors
August 18th	6:00 p.m. to 7:30 p.m.	SCLARC Parents
August 19th	10:00 a.m. to 11:30 a.m.	Transportation Vendors
August 19th	1:00 p.m to 2:30 p.m.	Social Recreation/ Educational & Non Medical Vendors
August 19th	3:30 p.m. to 4:30 p.m.	Day Program Vendors
August 24th	10:00 a.m. to Noon	Parent Meeting
August 24th	2:00 p.m. to 4:00 p.m.	Early Start Vendors

***All meetings will be held at SCLARC, 650 W. Adams Blvd., Los Angeles California 90007***

For more info regarding the budget reductions, please visit [www.dds.ca.gov](http://www.dds.ca.gov) or [www.sclarc.org](http://www.sclarc.org)

