

Workgroup Budget Ideas

Proposals: Supported Living Services

1. Require regional centers to review and renegotiate rates, if necessary, with SLS agencies, at the time of renewal of the contract, to:
 - a) use the most cost effective rate methodology allowed by Title 17, Section 58660;
 - b) specify allowable costs for administrative functions and ensure costs for administrative functions are reasonable given the number of consumers utilizing the agency; and
 - c) include rates that are no higher than the SLS agency's rate that was effective July 1, 2008.
2. Restrict the conditions under which a regional center can supplement a consumer's rent, mortgage, or lease payment:
 - a) establish the requirement that rent, mortgage, or lease payments and household expenses, such as utilities, are first responsibility of the consumer and/or their roommates;
 - b) if the regional center provides a supplement, require paid roommates and live-in support staff to pay their share of the rent, mortgage, or lease payment and household expenses;
 - c) require the consumer's planning team, as evidenced in writing in the IPP, to confirm that all available sources of natural and generic supports have been utilized to the fullest extent possible; and
 - d) establish an exception process wherein the regional center executive director can authorize a time limited supplement to a consumer's rent, mortgage, or lease payment, provided:
 - 1) IPP goals and objectives specify the period of time, not to exceed 6 months, during which the regional center will supplement the rent, mortgage, or lease payment, during which time the SLS agency is required to seek additional sources of natural and generic supports. If a long term supplement is deemed necessary, the necessity shall be reviewed annually.
 - 2) the regional center executive director affirms in writing that the supplement of the consumer's rent, mortgage, or lease:
 - A) is required due to the consumer's developmental disability; or
 - B) would result in General Fund savings to the regional center.
3. In order to maximize available resources, regional centers shall, to the extent feasible and appropriate, utilize the same SLS agency to provide services that meet the individual needs, as determined through the IPP process, of consumers who reside in the same home.

Background Information on Program Area:

Supported Living Services (SLS) consist of a broad range of services to adults with developmental disabilities who, through the Individual Program Plan (IPP) process, live in homes they themselves own, rent, or lease in the community. In FY 2007/08, approximately 9,500 individuals used SLS at a cost of approximately \$300 million.

Please check applicable box(es):

- Trailer bill language
- Regulation change
- Waiver amendment/New waiver

Pros:

- Each of the proposals is reflected in pending draft regulations the stakeholder community has already reviewed.
- Requires SLS agencies to develop and promote the use of natural or generic resources (such as housing subsidies and SSI/SSP)

Cons:

- Ceasing or limiting rent subsidies could limit consumers' ability to use SLS.

Fiscal :

2009/10 Savings \$10.5 million TF (\$6.9 million GF)

Annual Savings \$21.0 million TF (\$13.8 million GF)

(Note: Potential savings are constrained due to the SLS rate freeze and implementation of median rates for new SLS vendors.)

Assumptions:

Assumes implementation over the fiscal year; six months of savings are projected.

Assumes 68% of SLS expenditures are HCBS waiver billable at 50% FFP.

Proposal 1:

1% of annual SLS expenditures will be saved due to regional centers and SLS agencies renegotiating contracts to comply with allowable costs and cost effective rates.

\$1,500,000 (\$990,000 GF)

Proposals 2:

a) Estimate 3% (285) of existing consumers receive a supplement, at an annual cost of \$3,000, which could be substituted with generic and/or natural supports.

\$427,500 (\$282,150 GF)

b) Estimate 33% (3,167) of existing consumers using SLS receive a supplement for their paid staff at an annual cost of \$3,000 which could be substituted by shared living arrangement with another consumer, and/or paid staff contributing their fair share of the rent, lease, or mortgage.

\$4,750,500 TF (\$3,135,330 GF)

Proposal 3:

Estimate 10% (950) of existing consumers sharing a home with another consumer utilizing SLS and different SLS vendors could have their needs met by utilizing the same vendor. Estimate a 16% service cost reduction for each of the 950 consumers, or \$8,000 in annual SLS costs.

Annual SLS costs in FY 2006/07 were approximately \$50,000. **\$3,803,200 TF (\$2,510,112 GF)**