



State of Louisiana
Department of Health and Hospitals
Office of the Secretary

July 19, 2011

The Honorable Joel T. Chaisson, II, President
Louisiana State Senate
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

The Honorable Jim Tucker, Speaker
Louisiana State House of Representatives
P.O. Box 94062, Capitol Station
Baton Rouge, LA 70804-9062

The Honorable Kay Katz, Chairwoman
House Health and Welfare Committee
Louisiana State House of Representatives
P.O. Box 44486, Capitol Station
Baton Rouge, LA 70804-4486

The Honorable Willie L. Mount, Chairwoman
Senate Health and Welfare Committee
Louisiana State Senate
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

Dear President Chaisson, Speaker Tucker, and Honorable Chairs:

In response to Senate Concurrent Resolution No. 77 (SCR 77) of the 2010 Regular Session, the Louisiana Department of Health and Hospitals (DHH) submits the enclosed report. SCR 77 directed DHH to investigate, study, and develop a plan to modernize and improve the state developmental disability centers. The resolution asked for an assessment of the current operation and maintenance of the existing centers and an assessment of the feasibility of repairing or replacing those existing facilities. The resolution requires DHH to submit a written report of its findings to the House and Senate committees on health and welfare.

DHH explored the feasibility of addressing SCR 77 by securing the services of a private firm with experience in conducting the type of assessment directed by SCR 77, as the department currently does not have staff with this type of expertise. Three private firms were asked to provide DHH with an estimate of the projected costs associated with obtaining such an assessment. The estimates ranged from \$123,000 to \$148,500 to assess the centers. The funding for the assessment was not included in the FY11 budget.

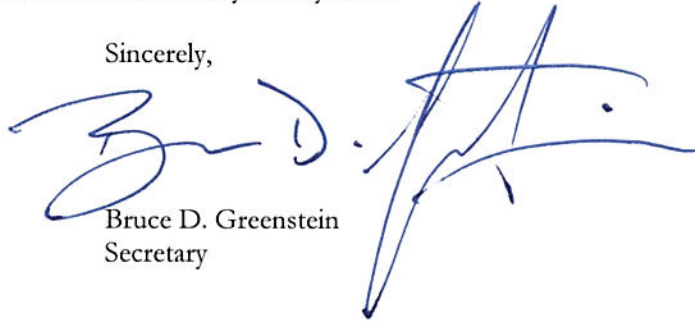
DHH ensures that the operation and maintenance of the state developmental disability centers is in compliance with applicable regulations, standards, and codes. The centers identify, allocate funding for, and implement routine maintenance and repair projects on an on-going basis in order to ensure continued compliance with applicable standards. Additionally, DHH routinely completes Capital Outlay Requests with input from the centers to fund more extensive maintenance, repair and improvement projects.

DHH has an ongoing strategy for modernizing its developmental disabilities service delivery system. Since 2005, DHH has reduced the number of public Supports and Services Centers in the state from nine to five centers. DHH is, in step with national trends, emphasizing the transition of people with developmental disabilities from these centers to appropriate community-based living settings when the people are assessed as being able to handle and benefit from community-based living. These transitions both improve the quality of life and cost-effectiveness of service provision for the people moving to community settings and create the capacity for admission of individuals with developmental disabilities and co-existing significant behavioral, psychiatric, and/or medical challenges to the few remaining Supports and Services Centers in the state.

Thank you for allowing us to provide information regarding the state's Supports and Services Centers. Julia Kenny, DHH's assistant secretary for the office for citizens with developmental disabilities, is available to

discuss this report with you should you have any questions or comments. Please feel free to contact her at (225) 342-0095 with any questions or comments that you may have.

Sincerely,

A handwritten signature in blue ink, appearing to read 'B.D. Greenstein', is written over the typed name and title.

Bruce D. Greenstein
Secretary

Enclosures

Cc: The Honorable Members of the House Health and Welfare Committee
The Honorable Members of the Senate Health and Welfare Committee
David R. Poynter Legislative Research Library

DEPARTMENT OF HEALTH AND HOSPITALS

PUBLIC SUPPORTS AND SERVICES CENTERS

REPORT PREPARED IN RESPONSE TO SCR 77
OF THE 2010 REGULAR SESSION

JULY 2011

Contact:

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EXECUTIVE SUMMARY

The Department of Health and Hospitals (DHH) was directed by Senate Concurrent Resolution (SCR) 77 to investigate, study, and develop a plan or strategy to modernize and improve the state developmental disability centers (also known as the public Supports and Services Centers). The resolution asked for an assessment of the current operation and maintenance of the existing developmental disability centers and the feasibility of repairing or replacing those existing facilities, with the resulting plan or strategy detailing how Louisiana can modernize its current facilities to reflect best practices in care and cost savings for those with developmental disabilities.

In response to SCR 77, DHH directed the Office for Citizens with Developmental Disabilities (OCDD) to assess the current operation and maintenance of the existing developmental disability centers, to investigate the feasibility of repairing or replacing those existing facilities and to develop a resulting strategy for modernizing its developmental disabilities service delivery system.

Since 2005, OCDD has reduced the number of public Supports and Services Centers in the state from nine to five centers. Of the five centers remaining, one large center will be privatized this fiscal year, leaving three large centers and one small center in operation for state fiscal year (FY) 2011/2012. The remaining centers are those which the OCDD has assessed as best situated to provide high quality supports and services to Louisiana's citizens with developmental disabilities who are in need of the type and degree of supports available at the public centers.

DHH is, in step with national trends, emphasizing the transition of people with developmental disabilities from public ICF/DD centers to appropriate community-based living settings when the people are assessed as being able to handle and benefit from community-based living. These transitions both improve the quality of life and cost-effectiveness of service provision for the people moving to community settings and create the capacity for admission of individuals with developmental disabilities and co-existing significant behavioral, psychiatric, and/or medical challenges to the few remaining public ICF/DD centers.

The operation and maintenance of these centers is in compliance with applicable Health Standards regulations, fire and safety codes, legislative audit requirements, and Office of Risk Management standards. The Supports and Services Centers identify, allocate funding for, and implement routine maintenance and repair projects on an on-going basis in order to ensure continued compliance with applicable standards. Additionally, OCDD routinely completes Capital Outlay Requests with input from the Supports and Services Centers to fund more extensive maintenance, repair and improvement projects.

OCDD explored the feasibility of addressing SCR 77 by securing the services of a private firm with experience in conducting the type of assessment directed by SCR 77, as the department currently does not have staff with this type of expertise. Three private firms were asked to provide OCDD with an estimate of the projected costs associated with obtaining such an assessment. The estimates ranged from \$123,000 to \$148,500 to assess the centers, which was not included in the FY11 budget.

OCDD will continue to assess the operation and maintenance of the remaining public ICF/DD centers with attention to assessing the feasibility of repairing, replacing, or closing/privatizing the centers as the demands on the public developmental disabilities services systems continue to change.

PUBLIC SUPPORTS AND SERVICES CENTERS

The Department of Health and Hospitals' (DHH) mission is to protect and promote health and to ensure access to medical, preventive, and rehabilitative services for all citizens of the state of Louisiana. This includes individuals with intellectual and developmental disabilities who are in need of critical services that enable them to live healthy, independent, and productive lives. DHH's Office for Citizens with Developmental Disabilities (OCDD) is responsible for overseeing Louisiana's developmental disabilities service system.

Over the past several years, OCDD has taken a number of major steps in a comprehensive strategic plan designed to provide high-quality, cost-effective services to a greater number of Louisiana's citizens with developmental disabilities. Actions taken to date include, but are not limited to:

- Implementing a Resource Allocation model to objectively assess an individuals' specific needs and allocate services based on need;
- Transitioning individuals from high-cost, state-operated, large Intermediate Care Facility/Developmental Disabilities (ICF/DD) centers to more integrated and more cost-effective, small ICF/DD services or Home and Community Based Services (HCBS) waiver programs;
- Privatizing state-operated services;
- Closing four high-cost, state-operated ICF/DD centers; and
- Increasing the number of HCBS waiver slots available to prevent unnecessary institutionalization of citizens with developmental disabilities and to reduce the waiting time between application for and initiation of services.

These actions resulted in cost savings in excess of \$35 million for FY 10 with annualized savings equal to over \$33 million from strategic actions implemented in FY 11. OCDD currently operates four large and one smaller Intermediate Care Facility/Developmental Disabilities (ICF/DD) centers with one of the four large centers targeted for privatization by the end of FY 11. The privatization of the facility and the transition of four publically operated community homes to waiver services through private providers results in a budget reduction of \$12.4 million (for FY 12). Additionally, the Resource Allocation model implemented in 2009 is anticipated to produce savings of over \$44 million by the end of FY 12.

OCDD has identified the following strategies for modernizing Louisiana's developmental disabilities service delivery system, which address the mandate of SCR 77:

- Down-Sizing of Public Supports and Services Centers
- Privatization of State-Operated Supports and Services
- Prioritization of Facility Maintenance Needs

DOWN-SIZING OF PUBLIC SUPPORTS AND SERVICES CENTERS

The remaining three large Supports and Services Centers are located in Bossier City, Pineville, and Hammond, Louisiana. OCDD is in the process of transitioning 20 percent of the population of these centers to privately operated, more integrated living settings. The 20 percent of the population transitioning from the centers are those individuals assessed as not requiring the level of supports provided in the public centers and as being able to handle and benefit from transition to more integrated settings. As the number and support needs of those continuing to live in the large public centers changes over time, OCDD may consider further consolidating the provision of public ICF/DD services.

It is noteworthy that the down-sizing of large institutions for people with developmental disabilities will facilitate Louisiana's compliance with Title II regulations of the Americans with Disabilities Act, 28 CFR § 35.130(d)(1998), which holds that "A public entity shall administer services, programs, and activities in the most integrated setting appropriate to the needs of qualified individuals with disabilities" and which specifies that "the most integrated setting" is "a setting that enables individuals with disabilities to interact with non-disabled persons to the fullest extent possible." The down-sizing of large institutions for people with developmental disabilities will also facilitate the state's compliance with the United States Supreme Court's *Olmstead v. L.C.*, 527 U.S. 581 (1999), which holds that "unjustified institutional isolation of persons with disabilities is a form of discrimination" because "institutional placement of persons who can handle and benefit from community settings perpetuates unwarranted assumptions that persons so isolated are incapable or unworthy of participating in community life" and "confinement in an institution severely diminishes the everyday life activities of individuals, including family relations, social contacts, work options, economic independence, educational advancement, and cultural enrichment."

PRIVATIZATION OF STATE-OPERATED SUPPORTS AND SERVICES

By the end of FY 11, Acadiana Region Supports and Services Center (ARSSC) will be operated by a private provider entity under Cooperative Endeavor Agreement with OCDD. The privatization of ARSSC will result in cost-savings for the state and will decrease the number of large public ICF/DD centers operated and maintained by OCDD. Even though the property is still owned by the state, the private provider has responsibility for maintaining normal maintenance and repair of the facility. More extensive maintenance or repair would be requested through Capital Outlay.

By the end of FY 11, the four public ICF/DD homes operated by Leesville Residential and Employment Services (LRES) will be converted to HCBS New Opportunities Waiver (NOW) living settings operated by private provider entities. The conversion and privatization of the LRES community homes will result in cost-savings for the state, will decrease the number of public small ICF/DD homes operated by OCDD to zero, and will positively impact the state's service delivery rebalancing initiative by shifting from costly institutional settings to home and community-based services.

PRIORITIZATION OF FACILITY MAINTENANCE NEEDS

OCDD will continue its ongoing process of assessing the operation and maintenance of the remaining Supports and Services Centers. OCDD has prioritized for Capital Outlay funding over the course of the next five fiscal years 29 maintenance and repair projects across the three remaining Supports and Services Centers. These prioritized Capital Outlay projects are above and beyond the routine maintenance and repair projects carried out by the centers within the confines of the Office's annual budget allocation.

CONCLUSION

OCDD has self-initiated efforts to reduce the number and census of Louisiana's large ICF/DD centers. Additionally, OCDD has prioritized maintenance and repair projects at the remaining ICF/DD centers. National trends in developmental disability services strongly encourage community capacity and transitions of individuals from large congregate settings into community-based service settings. As the cost for a private firm to provide an independent assessment of the public Supports and Services Centers was not included in the FY 12 budget, DHH was unable to obtain an objective assessment of the feasibility of repairing and replacing current facilities. DHH will continue its ongoing assessment of existing centers in the interest of improving the cost-effectiveness and quality of the services provided to citizens with developmental disabilities in the state's developmental disability centers.

Acknowledgments

Authors:

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Louisiana Department of Health and Hospitals

Bruce D. Greenstein, Secretary

Kathy Kliebert, Deputy Secretary

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J.T. Lane, Chief of Staff

Christine Peck, Legislative and Governmental Relations Director

BIBLIOGRAPHY

1. Louisiana Senate Concurrent Resolution 77, By Senator McPherson and Representative Katz, Regular Legislative Session 2010.
2. The Americans with Disabilities Act of 1990. <http://www.ada.gov/statute.html>
3. Supreme Court of the United States. *Olmstead v. L.C.* (1999)
4. The *ARC of Virginia, Inc. v. Timothy M. Kaine, et al.* United States Memorandum of Law as Amicus Curiae in Opposition to Defendant's Motion to Dismiss. (2009).

SENATE CONCURRENT RESOLUTION NO. 77

BY SENATOR MCPHERSON AND REPRESENTATIVE KATZ

A CONCURRENT RESOLUTION

To direct the Department of Health and Hospitals to investigate, study, and develop a plan or strategy to modernize and improve the state developmental disability centers, focusing particularly on an assessment of the current operation and maintenance of the existing developmental disability centers and the feasibility of repairing or replacing those existing facilities, with the resulting plan or strategy detailing how Louisiana can modernize its current facilities to reflect the best practices in care and cost savings for those with developmental disabilities.

WHEREAS, the state of Louisiana is committed to caring for all citizens suffering from developmental disabilities; and

WHEREAS, Louisiana is responsible for delivering the best possible care to those with developmental disabilities in the most cost-effective manner; and

WHEREAS, the current developmental disability centers were initially constructed many years ago when best practices of the day dictated placing extremely large groups of individuals suffering with such disabilities together in more communal living arrangements which thus dictated the construction of very large facilities which are still being maintained at a considerable cost; and

WHEREAS, the current developmental disability centers are in need of repairs which have been neglected over the years due to budgetary constraints; and

WHEREAS, as technology and advancements in treatment protocols for mental health disorders have evolved, the current cutting-edge facilities, which are not only the best practice but also the most efficient and cost-effective, are cost-efficient smaller facilities which are able to provide a higher degree of individual care and more inclusiveness for the individual; and

WHEREAS, the more economically feasible option could very well be the repairing and modernization of existing facilities; and

WHEREAS, it is in the best interest of the state to study the feasibility of repairing or replacing the current developmental disability centers which reflect today's best practices in care for those suffering with a developmental disability; and

WHEREAS, although Louisiana spends an average of one hundred seventy thousand dollars per person in state operated supports and services centers, many believe that these high-cost and aging facilities in their present state of disrepair may not be the optimal types of facilities to provide the most effective and efficient levels of care; and

WHEREAS, due care and attention must also be given to the needs of the residents, including a recognition that these facilities are home to the residents and oftentimes the only home which they have ever known and to relocate these individuals may cause great stress and trauma to the residents; and

WHEREAS, the Department of Health and Hospitals, having the expertise in the areas of treating those with developmental disabilities, should examine the cost of repairing or building replacement state-of-the-art facilities which are designed to offer a wider variety of treatment options and which are consistent with the best practices in treatment, the operating costs of the facilities, the appraisal and feasibility of the sale of excess properties, and the operational cost savings which would be obtained from repairing or replacing the existing facilities.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby direct the Department of Health and Hospitals to investigate, study, and develop a plan or strategy to repair, modernize, or replace the state developmental disability centers, focusing particularly on an assessment of the current operation and maintenance of the existing developmental disability centers and the feasibility of repairing or replacing those existing facilities, with the resulting plan or strategy detailing how Louisiana can best serve the residents of the developmental disability centers.

BE IT FURTHER RESOLVED that the department shall prepare a written report of such plan or strategy to be delivered to the Senate and House committees on health and welfare prior to the convening of the 2011 Regular Session.

SCR NO. 77

ENROLLED

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the secretary of the Department of Health and Hospitals

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES