

May 23, 2010



POSITION

TO: Members, Senate Budget & Fiscal Sub-Committee #3
Members, Assembly Budget Sub-Committee #1
c: Diane Van Maren, Consultant
Kirk Feeley, Consultant
Daisy Gonzalez, Consultant
Assembly Republican Consultant

1029 J Street, Suite 380
Sacramento, California
(916) 441-5844

RE: Proposed Trailer Bill language, Reduction in Payments to Specified Providers, Department of Developmental Services; (Item 4300)

FOR FURTHER INFORMATION, PLEASE CONTACT DWIGHT HANSEN, HANSEN & ASSOCIATES; (916) 798-0550; dhansen@hansenassociates.org.

The California Disability Services Association, representing more than 100 community-based organizations providing a wide range of services and supports to people with developmental disabilities throughout California, **SUPPORTS IN CONCEPT** temporary modifications of certain “personnel requirements, functions, or qualifications or staff training requirements for providers”. We offer some clarifying amendments below and look forward to working closely with the Department and other stakeholders to craft the important detail that will be required to implement the relief measures.

But we **OPPOSE** linking these relief provisions to a further reduction of payments to providers of 1.25%! Since October of 2008, rate and payment reductions have totaled more than \$500 million in General Fund losses. In addition, several hundreds of millions of federal funding has also been lost.

Relief is critical for providers already struggling to meet the needs of consumers in all types of programs. That relief should be granted whether or not any further reductions are approved.

In a separate letter, we will outline in detail our alternative proposal to secure the \$25 million GF savings the department proposes to secure from this further \$42 million in devastating payment reductions.

We propose the following modifications to the proposed W&I Section 4791:

- In the last line of section 4791(a) following “providers”, STRIKE “payments are reduced in Section 2 by 4.25 percent”.
- Similarly, in 4791 (e) following “vendored by a regional center”, STRIKE “and whose payment is reduced by 4.25 percent”.
- In Section 2 of the proposed bill, STRIKE “from July 1, 2010, to June 30, 2011, inclusive, by 4.25 percent”.
- Each agency should be permitted to make application for specific elements of relief and the relief must be granted unless a regional center makes specific findings as to how the proposed change will result the harm identified in (b)1-4.
- The “written service contract” between a provider and a regional center should apply to the entire service agency by vendor code and those programs identified by the provider as subject to the proposed modifications. There should not be a requirement for an individual service contract

for each of the dozens of individual programs that may be offered by an agency under each vendor code; the paperwork requirements would strip the value of any regulatory relief.

We look forward to working with the sub-committees to create meaningful reform that will enable us to continue to meet the specific needs of consumers.

If you have any questions, please contact Dwight Hansen, Hansen & Associates, at (916) 798-0550 or dhansen@hansenassociates.org