



STATE OF WASHINGTON  
DEPARTMENT OF SOCIAL AND HEALTH SERVICES

June 12, 2009

Members, Washington State Senate  
Members, House of Representatives

Dear Legislator:

The start to the 2009-11 biennium is only a few weeks away and I would like to give you an update of changes in services provided through Aging and Disability Services Administration (ADSA) due to the difficult decisions the Legislature had to make to balance the budget.

Most of the budget reductions require notification to be sent to clients or providers, and some clients are affected by multiple reductions. Letters notifying clients, providers and contractors of changes to programs or services are beginning to reach your constituents.

Although there are numerous budget reductions, below are the items that you are most likely to hear about from constituents in the coming months. Please note that in most cases these changes cannot be appealed by clients or providers. All of these changes begin July 1:

- About 45,000 people who receive in-home assistance (personal care hours) will see a reduction of hours. Medicaid recipients with physical and/or developmental disabilities currently have providers who come into their home to help them with essential tasks such as bathing, dressing, meal preparation, feeding, medication reminders, toileting and mobility. The amount of time those providers spend with clients will be reduced by one to nine percent based upon the level of care they need. On average, there will be a reduction of four to seven hours per month per client.
- To reduce overhead costs to the state, clients who want a relative as a paid personal care provider for in-home assistance will no longer be able to use the hiring and supervision services of an Agency Provider. About 2,000 people will be affected. Clients will be able to directly hire and supervise their relative as an Individual Provider or stay with the home care agency and have a non-relative provide their care. The new restriction does not change the amount or type of care they can receive.
- Operators of adult family homes and boarding homes that serve 12,300 people and nursing facilities that serve about 10,900 people will experience a rate reduction averaging four percent. Those who operate Supported Living, Group Homes and Licensed Staffed Residential programs for about 4,000 people with developmental disabilities will experience about a three percent rate reduction.
- There will be about a three percent reduction to county employment and day programs for people with developmental disabilities, impacting 39 counties and approximately 300 providers. Also, new funding was not included for employment or day services for more



than 1,400 students with developmental disabilities transitioning from high school in the next two years.

- Division of Developmental Disabilities (DDD) community residential programs will also be frozen for most new entries. Most vacancies in community residential programs will not be filled. We expect that 370 clients waiting for this service will not be admitted.
- DDD Individual and Family Services (IFS) Program will be frozen at current enrollment. New clients will not be admitted to the program; currently about 7,500 people are on the waiting list.
- Adult Day Health (ADH) services will be eliminated for clients who receive state-paid residential services, affecting 900 long-term care and DDD clients. ADH providers will be responsible for coordinating transportation, including providing transportation for those who do not have alternative ways to get to and from the ADH center. The ADH daily rate is being increased to reflect this new responsibility.
- There are other reductions outside of ADSA that will potentially affect our clients such as cuts to low-income dental payments, mental health, durable medical equipment and supplies.

Beyond the reductions that affect clients and providers, ADSA is taking steps to make reductions in administrative costs called for in the budget. Cuts include administrative layoffs at headquarters, the field offices and direct service staff, and limits on travel, purchases and personal services contracts. The impact is significant, since prior to these cuts, ADSA's administrative budget was less than two percent of our total budget. In addition, as a result of a significant budget deficit, DDD is also working on further reductions at the Residential Habilitation Centers (RHCs). For example, some cottages and some campus buildings will close, activities will be consolidated, and some staff to resident ratios will increase.

We realize that these changes may be difficult for many of our clients, providers and employees. Ultimately, our goal is to continue to serve clients in their home or a community-based setting for as long as it is possible. This is what most clients desire and it makes sense from a social and economic standpoint.

Enclosed is a two-page table with more detail on the major reductions affecting clients and providers.

I would be happy to discuss these and any other budget changes that are not listed above. Feel free to contact me at [leitckj@dshs.wa.gov](mailto:leitckj@dshs.wa.gov) or (360) 725-2260.

Sincerely,



Kathy Leitch, Assistant Secretary  
Aging and Disability Services Administration

Washington State Legislature  
June 12, 2009  
Page 3

Enclosure

cc: Susan Dreyfus  
Victor Moore  
Robin Arnold-Williams  
Jonathan Seib  
Kari Burrell  
Eric Mandt  
Megan Atkinson  
Rhoda Donkin  
Carma Matti  
Trista Zugel  
Dave Knutson  
Linda Merelle

# 2009-11 Major Budget Reductions to Services and Rates Long-term Care (LTC) & Division of Developmental Disabilities (DDD)

Item	Affected	Budget Savings	Description
<b>Nursing Home Rate Cuts: Avg. 4% (LTC only)</b>	230 providers	(\$38 M GF-S) (\$94 M Total)	After updating for more recent costs (rebasings), nursing homes will have an average reduction of about 4%. Some will have more than this, some less.
<b>In-home Assistance Hours Cuts: Avg. 4% (LTC and DDD)</b>	45,000 clients; also providers	(\$33 M GF-S) (\$81 M Total)	In-home assistance uses home care agencies or individual providers to help with bathing, dressing, toileting, meal preparation, medication reminders, etc. The reduction in assistance will average about 4%, a loss of 3 to 9 hours per month, varying based on acuity.
<b>Adult Day Health Limited to In-Home (LTC and DDD)</b>	900 residential clients lose service	(\$19 M GF-S) (\$37 M Total)	Adult Day Health may include nursing, therapies, meals, and activities. Clients who live in their own homes can continue to receive services; service is eliminated for those in residential settings such as Adult Family Homes. ADH providers will be responsible for coordinating transportation, including providing transportation for those who do not have alternative ways to get to and from the ADH center. The ADH daily rate is being increased to reflect this new responsibility.
<b>Rate Cuts to Community Residential (LTC and DDD)</b>	2,800 contracted providers	(\$18 M GF-S) (\$46 M Total)	Community Residential services provide a service alternative to nursing homes, DD institutions, or in-home care. Providers will see a reduction of about 4% to Adult Family Homes and Boarding Homes (including Assisted Living), and about 3% for DDD Supported Living, Staffed Residential, and Group Homes.
<b>In-Home Assistance: Restriction on Agency Providers who are Relatives (SHB 2361) (LTC and DDD)</b>	2,000 clients	(\$12 M GF-S) (\$30 M Total)	Home care agencies are required to make sure that their agency providers are not relatives of their clients; if they are, clients will need to switch providers or employ their relative as an individual provider. Service hours or type of care are not reduced by this particular change.

# 2009-11 Major Budget Reductions to Services and Rates

## Continued: Division of Developmental Disabilities only

Item	Affected	Budget Savings	Description
<p><b>DDD County Service Reductions: 3% Cut (Employment and Child Development)</b></p>	<p>1,400 high school graduates, 39 counties and approximately 300 providers</p>	<p><b>(\$2 M GF-S) (\$5 M Total)</b></p>	<p>County services include birth to three child development programs and employment services, including high school transition. Legislative intent is vendor rate cuts of about 3%. However, client services may be impacted due to the combination of the cut with lack of new funding for 1,400 high school students graduating in 2009-11. DDD must provide services for 400 of these students regardless of funding, as they are on a waiver and entitled to the service upon graduating.</p>
<p><b>DDD: Hold Vacancies in Community Residential (freeze on new entries)</b></p>	<p>Approximately 370 clients will not receive service due to holding vacancies and reduced proviso funding</p>	<p><b>(\$2 M GF-S) (\$5 M Total)</b></p>	<p>Community residential services provide an alternative to institutionalization for clients with DD, under the Core waiver. Holding vacancies means that entry for new clients to community residential placements/waiver slots is generally frozen. We may see more requests for institutional placement into RHCs as a result. (Although the Legislature provided some new community residential slots by proviso, these will not be enough to meet the most critical demand, combined with the freeze on filling vacancies.)</p>
<p><b>DDD: 3% Cut in Individual and Family Support</b></p>	<p>1,400 families request funding each year and will not be able to access service.</p>	<p><b>(\$0.4 M GF-S and Total)</b></p>	<p>Services typically include respite, home or vehicle adaptations, therapies, non-insurance covered medical, etc. for families serving a family member in their own home. Due to combination with other reductions to community services, DDD will freeze any new entries to the program until further notice. About 7,500 are on IFS waiting list. We expect number to grow significantly with the freeze.</p>