

Preliminary LAO Review of Department of Developmental Services Savings Proposals

(Dollars in Millions)

Proposal	Administration Estimate of General		Likelihood of Achieving Savings			LAO Comment
	Fund Savings ^a		Likely	Possible	Uncertain	
	2011-12	2012-13				
Increasing Federal Funds for Regional Center (RC) Purchased Consumer Services	\$ 20.9	\$ 22.5	X			Based on our initial review, this proposal would likely achieve savings by increasing the federal funds contribution for several services purchased by RCs.
Reductions and Efficiency in Regional Center Operations Funding	14.1	15	X			Based on our initial review, this proposal would likely achieve savings through staff reductions, an unallocated reduction to RC operations and improvements in administrative efficiency. Depending on how this proposal is implemented, at some RCs it may result in higher caseload ratios for the staff who coordinate consumer services.
Maximize Utilization of Generic Resources—Education Services	10.2	13.6			X	Based on our initial review, it is uncertain whether this proposal could achieve savings by requiring RCs to use the generic education resources in lieu of purchasing day program, work/employment, independent living, mobility training and associated transportation services on their behalf. Insufficient detail regarding the assumptions underlying the savings estimate has been provided for us to determine whether the estimate is reasonable.
Individual Choice Day Services	9.7	12.4		X		Based on our initial review, this proposal could possibly achieve savings depending on the number of consumers that opt into the new day program models. We note that in 2009-10, the Senior Option for reduced day programs for seniors and the Custom Endeavor Model to allow for more individualized services were adopted but did not result in the projected savings of \$12.7 million and \$1 million respectively.
Transfer Reduced Scope Prevention Program to the Family Resource Centers	7.5	10	X			Based on our initial review, this proposal would likely achieve savings by decreasing the required functions of the Prevention Program operated by the RCs and shifting some functions to the Family Resource Center Network of California or a similar entity.
Community Placement Plan (CPP) Funding	6.9	6.9	X			Based on our initial review, this proposal would likely achieve savings through reduced spending on CPP. The department states that this proposal will not impact the RC's efforts to facilitate consumers moving from a developmental center (DC) into a community placement and deflect DC placements.
Supported Living Services (SLS): Maximizing Resources	5.5	11	X			Based on our initial review, this proposal would likely achieve savings by identifying efficiencies for consumers receiving SLS who share a household. Independent assessments will be required for SLS consumers whose annual SLS costs exceed 125 percent of the annual statewide average cost.
Maximizing Resources for Behavioral Services	3.9	3.9	X			Based on our initial review, this proposal would likely achieve savings by allowing paraprofessionals to provide behavioral intervention services to a greater degree than is currently allowable. The paraprofessionals can provide these services at a lower cost than professionals.
Annual Family Program Fee	3.6	7.2	X			Based on our initial review, this proposal would likely achieve savings by imposing an annual fee of \$150 or \$200 dollars on about 35,000 families with incomes above 400 percent of the federal poverty level (the federal poverty level is about \$22,000 per year for a family of four) whose children receive services purchased for them by RCs. According to the department, the deterrent effect such a fee may have on families seeking RC services was not taken into account and therefore savings may be somewhat understated. We note that the savings level could be increased if the fee were also extended to families that only receive case management services and do not receive any services purchased for them by the RCs.
Rate Equity and Negotiated Rate Control	3.4	9.6	X			Based on our initial review, this proposal would likely achieve savings through revisions to provider rates.
Decreasing Department of Developmental Services Headquarters Contracts	1.8	1.8	X			Based on our initial review, this proposal would likely achieve savings through reduced contract payments.
Maintaining the Consumer's Home of Choice—Mixed Payment Rates in Residential Facilities with Alternative Residential Model	1.4	2.5	X			Based on our initial review, this proposal would likely achieve savings through adjustments to the rates paid to certain residential services providers.
Enhancing Community Integration and Participation - Development of Transportation Access Plans	1.1	2.2	X			Based on our initial review, this proposal would likely achieve savings by helping consumers to utilize the lowest cost transportation option available.
TOTAL	\$ 90.0	\$ 118.6				