



State of Connecticut
Department of Developmental Services

DDS

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**DEPARTMENT OF DEVELOPMENTAL SERVICES TESTIMONY
BEFORE THE APPROPRIATIONS COMMITTEE
February 21, 2023**

Good Morning Senator Osten, Representative Walker, Senator Berthel, Representative Nuccio and members of the Appropriations Committee. I am Jordan A. Scheff, Commissioner of the Department of Developmental Services (DDS). Thank you for the opportunity to come before you today to testify in support of **H.B. No. 6659 AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE THIRTIETH, 2025, AND MAKING APPROPRIATIONS THEREFOR.**

The mission of DDS is to partner with the individuals we support and their families, to support lifelong planning, and to join with others to create and promote meaningful opportunities for individuals to fully participate as valued members of their communities. More than 17,000 individuals are currently eligible for funding and services from DDS and the department is committed to utilizing innovative ways to support as many individuals as possible within available funding.

As I did last year, I must note the impact of the COVID-19 pandemic on both our public and private service sectors. The increased availability of preventive and therapeutic tools certainly improved outcomes for individuals supported by DDS in the last year. However, ongoing related workforce issues have continued to be a challenge, as we seek to return all supports to pre-pandemic status.

One way we are addressing these workforce challenges is through the historic investment of federal funds, through the American Rescue Plan Act (ARPA), which has allowed the state and the department to focus on creative approaches to address the workforce challenge while also transforming the DDS service delivery system, to focus on independence, integration and freedom of choice. I will discuss these initiatives in greater detail, but I am excited to have the opportunity to partner with stakeholders and truly change the trajectory of our service system to offer individuals with intellectual disability the best possible supports.

Fiscal Year 2023 Achievements

Before discussing the specifics of the Governor's proposed budget, I would like to highlight some of the important progress the department has made this year, with the support of the legislature, to keep the individuals we support healthy and safe throughout the pandemic, while improving the quality of services that we offer.

A few quick highlights regarding pandemic impacts:

1. As a 24/7 human services agency, DDS never shut down during the pandemic.
2. In 2022, respite centers and camps were reopened and operating at varying levels of capacity, depending upon availability of staff and the state of community-risk at the time.

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3. Virtual services were used early in the pandemic to replace in-person activities during the acute phase of the pandemic. In-person services have since reopened, but the increased use of technology has expanded accessible connections across the DDS service system and improved the flexibility in which these supports may be provided to meet individual's changing needs.
4. DDS continued to be able to offer flexibility in individualized delivery of supports, as well as financial support to our qualified provider network during COVID surges.
5. DDS was able to renew and amend our three DDS Medicaid waivers to advance and expand our service array.
6. DDS implemented additional flexibility during the height of COVID through the approval of Appendix K Emergency Preparedness and Response through the Centers for Medicare and Medicaid Services (CMS). This temporary flexibility allowed for the expansion of where and how waiver services could be provided, based upon the health and safety needs of participants.
7. DDS continued its PPE distribution process through January 2023, supplying PPE to both public and private programs, including Direct Support Professionals and Employers of Record in our Self-Determination program.
8. DDS continued to support vaccination and booster efforts for individuals and staff in public and private programs, including implementation of the various mandates that apply in our settings.
9. COVID surges continue to impact individuals and staff but appear to be following the trend of less severe disease and fewer negative patient outcomes, given the availability of vaccines and therapeutics. Individuals supported through DDS also have a high rate of vaccination.

A large portion of the department's focus this year has been on the implementation of a major program dedicated to improving the quality and availability of our services. I am honored to be stewarding a once-in-a-lifetime opportunity to innovate and transform our service system through the use of American Rescue Plan Act (ARPA) funds tied to our Home and Community-Based Services (HCBS) waivers. This funding stream provides states with a temporary 10 percentage point increase to the federal medical assistance percentage (FMAP) for certain Medicaid expenditures for home and community-based services for the period April 1, 2021 through March 31, 2022. The additional revenue generated can then be reinvested to enhance, expand or improve person-centered services over a period extending through early 2025. It provides Connecticut with timely access to funds to support the immediate stabilization of the workforce and to urgently expand needed growth in HCBS capacity specific to community-based supports.

Our plans for ARPA funding range across several critical areas for the department. To speed recovery from the unprecedented strain of the pandemic, DDS has already begun to temporarily fund providers to help rebuild, improve, stabilize, and maintain the provider workforce. This includes additional funding for the provider community to help with the recruitment and retention of staff. In addition, funds are targeted for the expansion and integration of assistive technology in supporting individuals, including the purchase of equipment and training in its use. Other initiatives include enhancing self-direction to empower individuals to determine their own future and strengthening the quality framework around services, including systems upgrades for case management and incident reporting.

One of the most exciting areas of our ARPA plan focuses on transforming our continuum of services and supports. Through a structure of committees comprised of stakeholders from across our service system, DDS is exploring creative options for transforming residential and day services. The transformation will focus on moving away from traditional congregate settings and toward more integrated and efficient settings that promote independence and freedom of choice. For residential services, this may look like more Community Companion Homes and supportive housing, rather than

traditional group homes. For day services, this may look like more employment-based supports, rather than traditional congregate day programs.

Building on our work both before and during the pandemic, and now bolstered through ARPA HCBS funds, DDS is poised to implement major system improvements and further expansion of innovative supports. We are looking toward a future where the continuum of supports is expanded, individuals have more opportunity to live and work in integrated, community-based settings, and the use of technology offers greater independence. These efforts, along with many others, will allow DDS to remain a national leader in supporting individuals with intellectual disability.

Important for me to mention is that all of this work is collaborative and includes representatives and perspectives from across our service system, including from the legislature. We are focused on prioritizing engagement with all of the department's stakeholders, especially individuals and their families, throughout this process. We have just finished hosting a series of forums for all stakeholders across the state, as an opportunity to ask questions, express their concerns, and offer ideas to improve our ARPA HCBS implementation plan.

Items of Interest in Governor Lamont's Proposed Budget

Governor Lamont's proposed FY 2024-2025 budget supports all of the goals of the ARPA HCBS implementation plan, allowing us to think creatively about how to offer the most integrated and individualized supports to as many people as possible.

Consolidate Resources for Residential Services

One way in which the Governor's proposed budget supports our transformational work is by consolidating our residential services funds back into the agency. The funding for the DDS Residential Services Program, previously located in the Department of Social Services' budget, has been transferred back to DDS. This will allow DDS to manage all the residential services funding in one place with greater clarity and transparency for stakeholders. As has always been the case, DDS residential services will remain contracted and operated under the purview of DDS.

Caseload Growth

The Governor's proposed budget includes funding for caseload growth for individuals supported by DDS.

Within the Employment Opportunities and Day Services account, \$7.3 million is provided in FY 2024 and \$17.5 million is provided in FY 2025 for caseload growth for employment opportunities and day service placements. This funding is projected to serve:

- 400 individuals in FY 2024 and 370 individuals in FY 2025 graduating from high school; and
- 71 individuals in FY 2024 and 60 individuals in FY 2025 who will be aging out of services provided by the Department of Children and Families (DCF) or local education agencies (LEAs).

Within the Community Residential Services account, \$5.8 million is provided in FY 2024 and \$13.5 million is provided in FY 2025 for caseload growth for residential services and placements. This funding is projected to serve:

- 66 individuals in FY 2024 and 60 individuals in FY 2025 who will be aging out of services provided by DCF or LEAs; and
- 31 individuals in FY 2024 and 31 individuals in FY 2025 transitioning through other initiatives, such as Money Follows the Person.

Baseline Adjustments, Reductions and Opportunities for Savings

The Governor's FY 2024-2025 budget recommends the following:

1. Annualizing the cost of wage and benefit increases for direct care workers of DDS qualified providers (\$106.7 million in FY 2024; \$136.7 million in FY 2025).
2. Technical change removing funding for 27th payroll (-\$8.1 million in each year).
3. Annualizing the cost of existing wage agreements for state employees (\$23.5 million in FY 2024; \$25.98 million in FY 2025).
4. Providing funding for inflation in Other Expenses, which funds, among other items, living expenses for state-operated direct care facilities (\$107,050 in each year).
5. Adjusting Supplemental Payments for Medical Services funding to reflect decrease in census in state operated programs (-\$200,000 in FY 2024; -\$250,000 in FY 2025).
6. Adjusting funding to reflect attrition out of certain service types in the Behavioral Services Program (-\$4 million in FY 2024; -\$4.8 million in FY 2025).
7. Adjusting funding to reflect the resources necessary to support the ARPA HCBS reinvestment plan over the four-year period ending March 31, 2025. (-\$37.09 million in FY 2024 and -\$74.96 million in FY 2025).

The department would like to express our deepest thanks to all the DDS partners, including the legislature, for their ongoing commitment to individuals with intellectual disability. The department believes Governor Lamont's proposed budget reflects the dedication of the various stakeholders that have worked so hard to advocate for the individuals we serve. We look forward to continuing our work together and expanding our ability to provide high quality services that support individuals with intellectual disability in achieving their personal goals within their communities.

Thank you for the opportunity to offer testimony in support of Governor Lamont's proposed budget. I would be happy to answer any questions that you have for me at this time and I look forward to working with all of you throughout the legislative session.