

T-TAP



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The Good News

- In 2000, nationwide spending for DD services reached \$29 billion, including \$22 billion for community services
- 1996 - 2000, inflation-adjusted spending for community services grew 18%

The Good News

- 2001, about 835,000 people received residential or other services
- 2001, total spending for ICF/MR and HCBS waiver services climbed to \$21 billion; HCBS waiver services overtakes ICF/MR spending

Sources: Braddock & Lakin

The Good News

- 2001, Medicaid dollars supported about 442,000 individuals, including 328,000 HCBS waiver participants
- Medicaid dollars supported more than twice as many people as in 1990
- 2001, number of people served in public institutions dropped to 46,000

The Good News

- Community-centered systems that offer more diverse and flexible services and supports
- Steady progress toward embracing the principles of person-centered supports
- Massive infusion of dollars into the community

The Good News

- Heightened expectations:
 - People and families now expect that public systems will provide them the help they need to live and participate in the community

The Good News

- 1990s, state budgets were extraordinarily healthy:
 - Strong economy generated high revenues for states
 - State revenues benefited from strong stock market
 - States could grow spending and cut taxes

The Good News

- States leveraged massive amounts of federal Medicaid dollars via the HCBS waiver program... costs of community expansion to states was low
- Federal policy encouraged states to expand community services

Yeah But...

Yeah But...

Yeah But....

Yeah But #1...

The Eternal PTA

“People and their families love the sheltered workshop”.

“The workshop generates income to support the rest of the organization”.

“Its safer than the community”

Yeah But #2...

“But my people are Really, Really, Really disabled!”

“Employment doesn’t work for people with severe disabilities”.

“You say it works but?”

Yeah But #3...

State Funding

- Economy falters; stock market tumbles
- State revenues nose dive

Yeah But #3...

State Funding

- **Medicaid spending Accelerates**
 - Faltering economy causes number of Medicaid recipients to rise
 - Health care cost inflation accelerates
 - Medicaid expansions catch up with states
- **Result: “The Perfect Storm” – state budgets in worse shape in 50+ years**

Yeah But #3....

The Feds

- Federal budget squeeze on non-defense domestic spending
- Surplus to.....DEFICIT
- Medicaid reform in play?

Yeah But #3...

The Feds

- Prognosis?
 - Limited federal aid to help states address their budget problems
- Social contract broken?

Yeah But #3...

Impact on world!

- Freezes on HCBS waiver enrollment
- Rate cuts
- Institutional closures without recycling savings

Yeah But #3...

Impact on world!

- Medicaid beneficiaries with DD caught in state eligibility cuts and trimming optional services -employment
- Refinancing instead of leveraging
- Stagnation – Growth curve flattens

The Moral...

“Argue for your limitations and sure enough... they’re yours”.

Our mission/job is to get past the “Yeah Buts” And fund employment!

Here is Via’s approach...



“If you don’t know where you are going,
you might wind up someplace else.”

- *Yogi Berra*

Now We Know !

“Slump? I ain’t in no slump...
I just ain’t hittin.” - *Yogi Berra*

Trends & Facts

- Individualized Service Plans demand a new program model
- Federal Status
 - Medicaid is cut
 - Economy is weak
 - War on terrorism is #1 priority

Trends & Facts

- **State Status**

- New Governor is a Democrat
- \$164 million in State cuts for Medicaid
- Waiver is more costly to State
- Growing waiting list
- More institutional placements

Trends & Facts

- **County Status**

- Tax increases 20% budget cuts
- \$5 mill. in State budget cuts, Lehigh & Northampton
- Re-establishment of the waiting list
- No COLA for providers
- Reduction in UW funds and other grants.

Trends & Facts

- **Via Status**

- Costs rising in all areas
- 5 years of 0% Cost Of Living Adjustment
- 200% increase health insurance over 5 yrs
- Reduction in fundraising dollars
- \$100,000 in funding cuts

“It’s déjà vu all over again.”

Yogi Berra

Now What?

Short Term (immediate to 6 months)

- **Restructure to match new realities**
 - Implemented reduction workforce, Mar 2003
 - Spread duties to remaining staff
 - Upgraded computers, reduce costs
 - Reduced cost of fundraising 40%
 - Held health care cost increase to 0%

Now What?

Short Term (6 months to 1 yr)

- **Redesign for new reality**
 - Continue to reduce all facility-based services
 - Move all individuals who show strong work skills to community jobs (50)
 - Expand retirement supports (age 60)

Now What?

Short Term (6 months to 1 yr)

- **Redesign for new reality**
 - Move inclusive day care to 3 valley sites
 - Fold Early Intervention into remaining space or home offices
 - Move ATF to Workshop/ViaWorks & several smaller community-sites

Now What?

Mid Term (2 – 3 yrs)

- Move all services to community
- Leverage Existing Assets
 - Sell excess facilities
 - Move admin & community staff out of remaining facilities and convert to Spruce Street
 - Initiate major capital campaign for new community services building

“It gets late early out here.” *Yogi Berra*

- Via board motion 9/23/00

“Via will move all services and supports to the community by 2006.”

Via's Funding Plan

- Convert Medicaid waiver dollars to Supported Employment supports by ensuring that traditional day service dollars “follow” the person” (avg individual day service budget \$9,000).
- Maximize VR dollars
- Focus on tapping every penny of the \$22 billion annual Medicaid contribution to day services.

Via's Funding Plan

- Leverage facility assets
- Sell existing facilities
- Create your own foundation
- Fund raise aggressively and regularly to support gaps in program funding and operating costs

Via's Funding Plan

- Tap every creative funding source available to the individual.
 - WIA
 - PASS
 - Ticket to Work
 - Small Business Loans

Via's Funding Plan

Focus on what is best for the person, not
what is best for the organization.

And Remember

If an organization's mission is to survive, it doesn't have a mission.