

State of Washington
Joint Legislative Audit and Review Committee (JLARC)



DSHS Responses to JLARC's
Studies of the Division of
Developmental Disabilities

Status Report 04-7

April 21, 2004

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in alternative formats for persons with disabilities.*

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The Joint Legislative Audit and Review Committee (JLARC) carries out oversight, review, and evaluation of state-funded programs and activities on behalf of the Legislature and the citizens of Washington State. This joint, bipartisan committee consists of eight senators and eight representatives, equally divided between the two major political parties. Its statutory authority is established in RCW 44.28.

JLARC staff, under the direction of the Committee and the Legislative Auditor, conduct performance audits, program evaluations, sunset reviews, and other policy and fiscal studies. These studies assess the efficiency and effectiveness of agency operations, impacts and outcomes of state programs, and levels of compliance with legislative direction and intent. The Committee makes recommendations to improve state government performance and to correct problems it identifies. The Committee also follows up on these recommendations to determine how they have been implemented. JLARC has, in recent years, received national recognition for a number of its major studies.

**DSHS RESPONSES TO
JLARC'S STUDIES OF
THE DIVISION OF
DEVELOPMENTAL
DISABILITIES
STATUS REPORT**

REPORT DIGEST
APRIL 21, 2004



STATE OF WASHINGTON
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Summary

The Joint Legislative Audit and Review Committee completed two studies of the developmental disabilities services system during the last 14 months. (Report digests for these studies are attached.) Both studies identified the need for the Department of Social and Health Services (DSHS) to develop basic management tools and information to support both legislative and agency decision making for the developmental disabilities services system.

DSHS has submitted its progress reports on carrying out JLARC's recommendations, and summaries of these efforts are attached to this memo. We believe the agency is making progress in planning and implementing changes that can produce results and improve accountability. Merging the management of the developmental disabilities services system with the aging and disabled adult services system has given a better focus to these efforts.

Nonetheless, how four new Medicaid waivers for the developmental disabilities services system will be implemented should raise ongoing legislative concern and attention. At DSHS, the reorganized Aging and Disability Services Administration must be able to assure rigorous and accountable implementation of these waivers to the Governor, the Legislature and the public.

Background

JLARC's findings and recommendations, from two major studies of the developmental disabilities services system, shared one broad theme:

- ✓ DSHS should develop basic management tools and information resources to support both legislative and agency decision making for the developmental disabilities services system.

How will the Legislature, agency, developmental disabilities services system stakeholders and providers, and the public know when this need has been addressed? Our 2002 and 2003 JLARC reports suggest the following results to look for:

1. When a plan guiding the future of the Residential Habilitation Centers is in place;

2. When similar clients are consistently assessed on their needs for similar packages of services;
3. When consistent standards and processes give evidence of a systematic approach in managing the caseload of individuals with developmental disabilities; and,
4. When DSHS's new organizational structure is perceived as manageable, accountable and credible.

Purpose of this Report

DSHS has provided the required follow-up reports to JLARC's recommendations. Here, we evaluate the initial steps DSHS has taken to respond to the identified need for effective management processes and information. While the results that DSHS anticipates will not be realized for some time, we outline a framework to be used to examine these efforts in the near term.

Result 1: A Plan for the Future of the Residential Habilitation Centers (RHCs)

DSHS produced a thorough, detailed report that identifies and models variations on the spectrum of options for the future use of the RHCs, the program and capital costs for these options, and strategies for addressing the effects of these options on clients and families. The hypothetical choices range from keeping all five institutions open, to complete closure of all five.

DSHS's model can be a useful tool to simulate the effect of various decisions, and could provide background to the development of a state policy toward the use of RHCs. However, the report is not a plan for the future of the RHCs. Washington is not unique in its struggle to develop a prospective policy for the use of institutions for people with developmental disabilities. Lawmakers and state officials strive to balance many complex issues in crafting these policies.

Result 2: Similar Clients Consistently Assessed for Similar Services

DSHS uses an automated assessment tool called CARE in its programs for the elderly and disabled. The agency is implementing a plan to modify this tool to meet the assessment and services needs of people with developmental disabilities. Full implementation of this tool will not happen until FY 2007, but service need assessments will happen for much of the caseload sooner.

A successful implementation means that the agency must do more than automate existing processes. The agency has laid out a phased, detailed plan to create tools such as standardized business processes, written policies and administrative rules. DSHS's plan identifies appropriate tasks and establishes timelines and costs associated with them. Being successful, however, will come at a cost. DSHS has asked for \$2.5 million in the 2004 supplemental budget for one-time costs for this purpose. Federal Medicaid dollars would cover approximately one-half of these costs.

Result 3: A Systematic Approach to Case Management

DSHS plans to build on its work for the consistent assessment of client needs to develop a new case management system for DD. A phased, detailed plan identifies relevant tasks and

establishes timelines and costs. The new, integrated system is expected to eliminate seven existing automated systems that have bits and pieces of case management information.

Full implementation of all elements of this new system are planned to be realized by the end of calendar year 2009. JLARC noted that remedying this problem would require new resources. The estimated total cost of the effort is \$14.4 million (all funds); approximately \$11 million in new costs. Again, the federal Medicaid program will bear approximately one-half of these costs.

Result 4: New Organization is Perceived as Accountable and Credible

DSHS merged its developmental disabilities services with the elderly and disabled services system in October 2002. Aging and disabled services in DSHS were recognized for leadership in having strong business processes, program policies and procedures, and data to support internal management and legislative policymaking.

This reorganization continues, but many changes have occurred. Several management functions have been merged, including: contracting, accounting and budgeting, information technology, rates management, quality assurance and policy coordination. The new Aging and Disability Services Administration (ADSA) has emphasized responsibility for ensuring the accuracy of financial and caseload data, and data analysis and reporting. ADSA has also developed performance measures for increased accountability, including a focus on cost containment efforts.

Programmatic functions, however, have not yet been merged. For instance, a key responsibility in the developmental disabilities services system is the implementation of four recently approved Medicaid waivers. Currently, responsibility for this implementation resides with former developmental disabilities program staff. Involvement of other staff with extensive experience in strong business practices and use of data to support management decisions must be a key ingredient for these complex fiscal management and service delivery processes to be successful.

Conclusion

DSHS has submitted progress reports on JLARC's 2002 and 2003 recommendations for changes in the management of developmental disabilities services.

The secretary has given clear direction that these problems must be addressed; the strategy to reorganize to build on existing agency management capacity is progressing. The agency has a new focus on building management tools for the developmental disabilities services system.

JLARC remains concerned about the implementation of four recently approved Medicaid waivers for the developmental disabilities services system. These waivers provide access to services for over 10,000 people with developmental disabilities, and the state and federal governments together spend over \$500 million each biennium on these services. DSHS should give ongoing assurances of a rigorous implementation of these waivers.

Thomas M. Sykes, Legislative Auditor

On April 21, 2004, this status report was approved for distribution by the Joint Legislative Audit and Review Committee.

Senator Jim Horn, Chair

APPENDIX 1 – JLARC REPORT DIGESTS

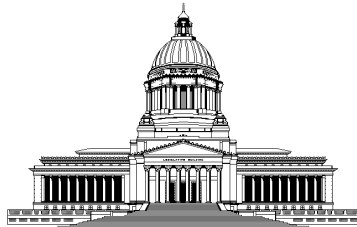
- Report 02-12 Digest - Capital Study of the DDD Residential Habilitation Centers
- Report 03-6 Digest - Performance Audit of the Division of Developmental Disabilities

**CAPITAL STUDY
OF THE DDD
RESIDENTIAL
HABILITATION
CENTERS**

REPORT 02-12

REPORT DIGEST

DECEMBER 4, 2002



STATE OF WASHINGTON

JOINT LEGISLATIVE AUDIT AND
REVIEW COMMITTEE

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Background

The Division of Developmental Disabilities (DDD), within the Department of Social and Health Services (DSHS), operates five residential habilitation centers (RHCs) for qualified developmentally disabled citizens. These large institutions provide 24-hour residential housing for individuals needing institutional care. The facilities are Frances Haddon Morgan Center, Fircrest School, Rainier School, Yakima Valley School, and Lakeland Village; they are located in Bremerton, Shoreline, Buckley, Selah, and Medical Lake, respectively.

Lakeland Village first opened in 1915, and five other institutions were added as the DDD institutional population grew.¹ At their peak in 1967, the RHCs housed a combined population of over 4,000 residents. Since then, the state's institutional population has declined. Currently, just over 1,100 residents live in these facilities. This decline reflects the national trend where the current population in DD institutions is roughly one-fifth of the peak population in 1967.

Mandate

As the resident populations continue to decline, and as the aging facilities require more capital investment, the state must look at options for the future of these five institutions. Consequently, the Legislature, in its 2001-03 Capital Budget, directed JLARC to:

Conduct a study of the possible alternative uses of the land and facilities currently used by state operated residential habilitation centers and nursing facilities for persons with developmental disabilities.

JLARC staff worked with two real estate appraisal firms to determine the current and potential uses and values of the five facilities.

Findings

Highlights of the findings from this JLARC study include:

- **None of the facilities is limited to serving only its current population.** The institutions do serve unique populations, but specialized services at one can be replicated at any other facility with the proper staffing.
- **All five campuses are under-utilized and have some capacity for growth.** The institutions currently serve fewer residents than their capacity, and all campuses could be enlarged to serve more residents.
- **All five campuses suffer some degree of functional or external obsolescence.** Due to building ages and changes in service delivery philosophies, many of the buildings on each campus experience some level of decreased utility as RHCs.

¹ One institution, Interlake School, closed in 1994.

- **Local zoning will constrain the potential alternative uses of each campus.** All five RHCs are located in cities, some of which have zoning ordinances restricting the type of use that can occur on these properties.
- **The RHCs can be ranked in terms of their relative worth to the state as DDD institutions.** From highest to lowest “value in use,” they are:
 1. Rainier School
 2. Yakima Valley School
 3. Lakeland Village
 4. Frances Haddon Morgan Center
 5. Fircrest School

Conclusions

1. **Frances Haddon Morgan Center and Fircrest School** have **potential alternative uses and market values**. By either selling the property to the City of Bremerton or avoiding state lease costs elsewhere, the **Frances Haddon Morgan Center** could generate approximately **\$2.9 million** for the state, in both ongoing and one-time costs. And, after subtracting various liabilities of **Fircrest School**, potential revenue for and/or savings to the state could be approximately **\$32.7 million**.
2. **Fircrest School** has a high potential market value, but **has complicating factors**: the land on which Fircrest campus sits is divided between DSHS-managed land and the Department of Natural Resources (DNR)-managed trust land; the DNR-managed portion is limited in its use under a land lease between DNR and DSHS; the DSHS portion would be difficult to develop on its own due to its awkward shape and location; long-term tenant leases limit the alternative uses of the campus.
3. **Lakeland Village, Rainier School, and Yakima Valley School** have **excess property** (residential, agricultural, and timber land) that can be sold with no impact on current institutional operations. If excess parcels of lands were sold, they could potentially generate approximately **\$7.7 million** for the state. Additionally, if the timber were harvested from the excess property at Rainier, it could generate an additional \$5.7 to \$7.0 million in revenue to the state.
4. The immediate campuses at **Lakeland Village, Rainier School, and Yakima Valley School** have **no significant marketable value** beyond their current use.

Recommendations

Recommendation 1: Real Estate Services, Division of State Services, Department of General Administration should develop options to dispose of excess property identified by JLARC’s consultants at Lakeland Village, Rainier School, and Yakima Valley School. Such options should maximize the investment return to the state.

Recommendation 2: The Department of Social and Health Services (DSHS) should synthesize this report and two other documents relating to the future of the RHCs: the Stakeholders Workgroup progress report and the Fircrest Campus Master Plan. The resulting synthesis should address projected future institutional needs for developmentally disabled individuals in Washington State, anticipated changes in the type of care needed by institutional residents, and alternative or combined use scenarios for each RHC campus. DSHS should present this collection of information and alternatives to the Legislature by September 2003.

**PERFORMANCE AUDIT
OF THE DIVISION OF
DEVELOPMENTAL
DISABILITIES**

REPORT 03-6

**REPORT
DIGEST**

JUNE 19, 2003



STATE OF WASHINGTON

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In the 2002 Supplemental Operating Budget, the Legislature directed JLARC to conduct a performance audit of the Developmental Disabilities Division (DDD) in the Department of Social and Health Services (DSHS).

DDD has recently come under considerable scrutiny; this audit completes JLARC's fourth analysis of the Division. In the summer of 2002, the federal government completed its review, with DSHS conducting its own, in-house reviews as well.

These reviews, including this final JLARC audit, point to the need for dramatic changes in the management practices of the Division. While there may be disagreement on what brought on the need for this change, there is agreement that change is essential. In direct response to a consultant's recommendation, in October 2002—as this audit was being conducted—the Secretary of DSHS reorganized, moving the Division into the newly created Aging and Disabilities Services Administration.

MAJOR FINDINGS

For this reorganization to be successful, substantial efforts must now be made to establish basic and credible practices previously missing. This report, and JLARC's interim report published in December 2002, point to the need for change in three areas: 1. Changes in case management practices; 2. Changes in the way "packages" of services or benefits are viewed; and 3. Changes in the management of federal Medicaid dollars.

Case Management

Case managers in this Division work with clients with complex needs. Caseloads are growing; procedures are poorly defined; and effective automated systems to help case managers manage their caseloads are missing. JLARC found that, because an assessment process is not consistently applied, it is impossible to determine if clients with similar needs are receiving similar services. Procedures for the use of existing assessment tools are so poorly defined or followed that inconsistency is a predictable outcome. The case managers we spoke with in our field visits all expressed frustration with the current assessment process and with its tools and its procedures.

JLARC is also concerned with another aspect of the assessment process. When asked who was assessed, case managers frequently responded that they performed a service assessment on those they knew needed a service. This runs contrary to the basic purpose of an assessment: to determine **if** a service is needed.

The impacts of a poor assessment process ripple through the Division. Just as there is no way to determine if clients with similar needs are getting similar services, there is no way to determine if levels of service are too high, too low, or appropriate. Basic budget questions cannot be answered. JLARC was asked to review case manager staffing levels. Without an accurate understanding of the service needs of clients—an acuity measure—we could not determine if case manager resources are appropriate. Ultimately, it is the service needs of clients that dictate appropriate case manager levels. Comparisons between Washington and other states on case management levels become meaningless without such information

Managing the Public Benefits Package

Through analysis of information found in five different information systems—systems that are not integrated and do not normally “talk to each other”—JLARC determined that only two-thirds of the public benefits going to disabled clients are actually managed by DDD. Even after this extensive analysis, we know that we have not captured all funding sources in this calculation, such as special education.

Each type of service may be critical to a client, especially for community-based clients. Clients receive, and may require, a “package” of services. While housing services (paid for through DDD) are critical, so too are medical services (coordinated by Medical Assistance in DSHS) and economic supports, such as Supplemental Security Income (SSI), tracked by Economic Services in DSHS. While case managers are very aware of the importance of each to a client, they have no information system to inform them what a client’s “complete service package” might be. Thus they are unable to coordinate that package.

The Federal Medicaid Program

With \$1.1 billion of DDD’s \$1.2 billion biennial budget comprising either federal funds or the state match required to receive those funds, the federal Medicaid program now dominates. The changes that JLARC and others have identified as needed by this Division must be made while paying close attention to Medicaid guidelines. Such guidelines are not always clear and easy to understand by those faced with the task of making changes, yet meeting them will be essential to change efforts.

The federal government has determined that DDD does not currently adhere to those guidelines, and has told the state to return \$26 million in “disallowed” payments. Continued participation in Medicaid’s “waiver” program requires meeting these guidelines. Without such participation, the federal match on some of the most expensive services provided to developmentally disabled clients is at stake. As advocates sue DSHS, seeking additional funding claimed to be required to meet these guidelines, legislative fiscal control over the program may also be at risk.

CONCLUSION

Success for DDD has been defined as an ability to get some level of services to clients. Expenditures for needed infrastructure—information systems, case management systems, assessment systems—were seen as secondary. Now, as the caseload increases and the complexity of the Medicaid program becomes more obvious, the Division suffers from the absence of that infrastructure. Accurate client counts do not exist, nor do consistently applied assessment procedures.

Developing this infrastructure—these supports, policies, and procedures—will not happen overnight. Some components such as computer systems will have a price tag attached. The cost of not developing these supports will be the continuation of a system that knows too little about its clients, their service needs, and whether or not those needs are being met.

RECOMMENDATION 1

DSHS should develop an **assessment process** for developmentally disabled clients that is consistently applied, to all clients, in all parts of the state. Clients must be assessed before a determination of service need is made.

RECOMMENDATION 2

DSHS should submit to the Legislature a plan for implementing a **case management system** in DDD.

RECOMMENDATION 3

A detailed report on the impacts of the recent **reorganization** of DSHS—bringing DDD into the new Aging and Disabilities Services Administration—should be submitted to the Legislature for its review.

APPENDIX 2 – DSHS RESPONSES TO JLARC RECOMMENDATIONS

- Planning for the Future of DDD Residential Habilitation Centers - Abridged
- Developing the Assessment Process for the Division of Developmental Disabilities - Abridged
- Developing a Case Management System for the Division of Developmental Disabilities - Abridged
- The Impact of the Creation of the Aging and Disability Services Administration First Follow-up Report - Abridged



Report to the Legislature

Planning for the Future of DDD Residential Habilitation Centers

Prepared in Response to Recommendation #2 in "Capital Study of the DDD Residential Habilitation Centers" Report by the Joint Legislative Audit and Review Committee, issued December 4, 2002

September 30, 2003

JLARC Recommendation: "The Department of Social and Health Services (DSHS) Should synthesize this report and two other documents relating to the future of the RHCs: the Stakeholders Workgroup progress report and the Fircrest Campus Master Plan. The resulting synthesis should address projected future institutional needs for Developmentally disabled individuals in Washington State, and alternative or combined use scenarios for each RCH campus. DSHS should present this collection of information and alternatives to the Legislature by

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PLANNING FOR THE FUTURE OF DDD RESIDENTIAL HABILITATION CENTERS

Executive Summary

Aging and Disability Services Administration
Division of Developmental Disabilities (DDD)
September 30, 2003

In December 2002, the Joint Legislative Audit and Review Committee (JLARC) issued its "Capital Study of the DDD Residential Habilitation Centers." This study contained a recommendation that DSHS should use this and other documents to address projected future institutional needs for developmentally disabled individuals in Washington State. The report was to project anticipated changes in the type of care needed by institutional residents, and alternative or combined use scenarios for each Residential Habilitation Center (RHC) campus. DSHS is to present this collection of information and alternatives to the Legislature by September 30, 2003.

This report discusses three options, based upon a needs assessment of the individuals living in RHCs, the expertise the community services system has demonstrated, and current national trends. The three options the department presents information about are: (a) the RHCs could be entirely closed with the establishment of certain kinds of community services, or (b) a small(er) RHC(s) could exist to support some individuals and for the purpose of providing emergency respite care in particularly challenging situations, or (c) the policy direction established in 1988 could continue whereby some RHCs could remain open but with regularly funded downsizing, and with some admission capacity, until attrition and downsizing force additional consolidation and closure in approximately 25 to thirty years.

In their Phase 3 report issued December 1, 2002, the Developmental Disabilities Strategies for the Future Stakeholder Workgroup indicated a preference for letting the marketplace (of potential customers) determine what the capacity of RHCs should be. While a "marketplace" model is not included in this report, one option provides a regular opportunity for limited admissions. The Stakeholder Workgroup supported the concept of choice as being the most critical dimension, weighing more than the opportunity for community integration, and more than the value of non-congregate settings.

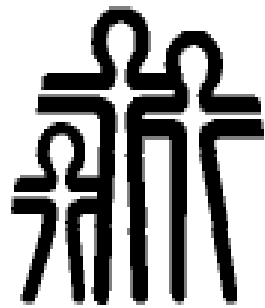
The current status of the Fircrest Master Plan, which is not due to have a final product until spring 2004, was reviewed by the department but is not included as a significant consideration for this report.

This report provides the capital costs of various reduction scenarios, as well as the cost of total closure and maintaining the status quo. Costs of various kinds of alternate community programs for people moving from the RHCs are presented and forecasted. Costs of addressing the issue of staff reductions are included. Information presented demonstrates that costs for community settings are somewhat less than for RHCs, and over time, all of the costs increase. The report contains three alternate scenarios. These alternatives are not the only options. With the information provided in the report about costs, other scenarios may be constructed.

The department believes that the needs of people living in RHCs, with a few exceptions, can be met in the community, however, there are impacts upon those clients and their families that must be considered. Twenty-two percent (235) of people living in RHCs are over 55 years of age. Sixty percent (636) of RHC clients have lived in their current facility for thirty years or more. These factors reflect important implications to consider when reducing facilities, because of the importance of ensuring sound transition activities that protect people's health and adjustment.

Ways to mitigate the impacts upon clients, families, and employees are suggested. Clients and families can be assisted by identifying those who want to move, and determine, based upon consistently applied criteria, who will remain in the RHC. The criteria should include factors such as the age of the person, where the person's family lives, how long the person has resided at an RHC, what kind of transition process is needed for any particular individual, and other similar factors. The department can provide people and their guardians with choices about the location of the community service, selection of vendors when possible, and choices about housing, and so forth. A quality assurance service that periodically monitors both quality of life and whether needed services are being received should be implemented for all people who move. Adequate case management support (1:50) must be provided for all RHC clients placed.

Per JLARC direction, this report offers alternative scenarios for policy makers. It also provides an historical context, information about clients, facilities, costs, and other states' experiences. Included are three illustrations about how this information can be applied in Washington State to address the future of the RHCs.



Washington State
Department of Social
& Health Services

Report to the Legislature

Developing the Assessment Process for the Division of Developmental Disabilities

Prepared in Response to Recommendation #1 in "Performance Audit of the
Division of Developmental Disabilities, Preliminary Report" by the
Joint Legislative Audit and Review Committee (JLARC), issued June 19, 2003

October 31, 2003

JLARC Recommendation #1: "DSHS should develop an assessment process for developmentally disabled clients that is consistently applied to all clients, in all parts of Washington State. Clients must be assessed before a determination of service need is made. This process should utilize, to the extent possible, existing computer-based assessment tools either in use or under development in DSHS. A plan for implementing this process, that identifies costs and includes an implementation schedule, should be submitted to the Legislature by September 2003."

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Abstract

This report represents the Aging and Disability Services Administration (ADSA) response to the June 2003 Joint Legislative Audit and Review Committee (JLARC) “Performance Audit of the Division of Developmental Disabilities (DDD).” The Performance Audit found that caseloads are growing; policies and procedures are poorly defined, consistent assessments are lacking, and an effective automated case management system is missing.

The Audit made two recommendations. The first recommendation addressed assessments and directed the Department of Social and Health Services (DSHS) to develop an assessment system that is consistently applied prior to decision-making about service needs. Computer based applications that exist or are under development must be used. The report should contain a schedule with costs for implementation and be submitted by September 2003.

The second recommendation directed DSHS to submit a plan for implementing a case management information system in DDD. DSHS was directed to explicitly address the case management functions identified in the audit and describe tasks, timeline and costs for implementing the system. JLARC further directed that outside technical assistance be used.

While the focus of this report is on Assessment—Recommendation 1, it appropriately recognizes assessment as one of the major elements of a comprehensive case management information system. It recognizes that the business requirements of Recommendations 1 and 2 cannot be developed in isolation from each other. In addition, this response addresses issues that were raised by JLARC in this and other audits and concerns expressed in the Sterling Report commissioned by DSHS to review DDD practices and in the Centers for Medicaid and Medicare Services Review of July 2002.

In line with the JLARC recommendation that computer-based applications that exist or are under development should be used, ADSA proposes to build DDD assessments by adding on to the successful Comprehensive Assessment Reporting Evaluation (CARE) tool developed by the Home and Community Services and Management Services Divisions over the last three years.

Three assessment products will be produced under this proposed plan including:

- Screening/Mini Assessment for Adults and Children with developmental disabilities
- Comprehensive Assessment for Adults with Developmental Disabilities
- Comprehensive Assessment for Children with Developmental Disabilities

Design and implementation of these products will require extensive definition, development and/or modification of DDD business processes, including policy and WAC. To facilitate this complex work the products will be developed and implemented in three distinct phases:

Phase I is an interim step to immediately establish a semi-automated Medicaid Personal Care (MPC) Assessment for children and bring DSHS into compliance with the new Washington Administrative Code (WAC) for State Plan MPC services.

Phase II has 5 components. Completion of these components will deliver products including a Screening/Mini Assessment that will establish the rules and categories for needs prioritization; a fully automated Children's MPC assessment; an intake module for developmental disability determination; and an automated link from CARE to the DDD Common Client Data Base (CCDB). Finally Phase II will supply the information needed to complete the modifications required for CARE to assess the needs of DDD adult clients beyond Medicaid Personal Care. The Phase II products will enable DDD to respond more effectively to crises; build a fully automated Children's MPC assessment; record the determination of developmental disability for individual applicants; limit caseload size and provide a solid foundation for Phase III work.

Phase III will complete the assessment suite with completed Adult and Children's assessments that will evaluate client need in all DDD programs and services.

With these products ADSA will implement an assessment process for people with developmental disabilities that is consistently applied to all clients in all parts of Washington State. The assessment process will be the foundation for the Case Management Information System. Successful development of the three products described above will enable ADSA DDD to build a suitable user-friendly foundation for the Case Management Information System. These products will facilitate intake including developmental disability determination, service eligibility and priority, crisis intervention and placement, service plan development, health and clinical care coordination and will effectively respond to CMS concerns about many aspects of Waiver implementation. These products will be developed in a computer-based environment so that reliable reports are readily available and quality assurance activities at both the client service and program administration level are facilitated.

Finally ADSA has approached this plan with reaching the twin outcomes of cost-sensitive and realistic appraisals of business requirements for product development. ADSA proposes to use internal resources whenever possible.



Report to the Legislature

**Developing a Case Management System
For the Division of Developmental Disabilities**

Prepared in Response to *Recommendation 2* in
“Performance Audit of the Division of Developmental Disabilities, Preliminary Report”
By the Joint Legislative Audit and Review Committee issued June 19, 2003

December 31, 2003

JLARC Recommendation: “DSHS should submit to the Legislature a plan for implementing a case management system in DDD. The plan must explicitly address the case management function identified in this report, outlining which functions will be met, how this will be accomplished, at what cost, and a timeline for implementation. Outside technical assistance should be utilized in the development of this plan.

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1 Executive Summary

PLANNING FOR A COMPREHENSIVE CASE MANAGEMENT INFORMATION SYSTEM IN THE DIVISION OF DEVELOPMENTAL DISABILITIES (DDD)

1.1 Brief Background on Performance Audit of DDD

As part of the Performance Audit of June 19, 2003, the Joint Legislative Audit and Review Committee (JLARC) made the following recommendations:

JLARC RECOMMENDATION 1—ASSESSMENT PROCESS

DSHS should develop an assessment process for developmentally disabled clients that is consistently applied to all clients, in all parts of Washington State. Clients must be assessed before a determination of service need is made. This process should utilize, to the extent possible, existing computer-based assessment tools either in use or under development in DSHS. A **plan** for implementing this process, that identifies costs and includes an implementation schedule, should be submitted to the Legislature by September 2003.

JLARC RECOMMENDATION 2—CASE MANAGEMENT SYSTEM

DSHS should submit to the Legislature a **plan** for implementing a case management system in DDD. The plan must explicitly address the case management functions identified in this report, outlining which functions will be met, how this will be accomplished, at what cost, and a timeline for implementation. Outside technical assistance should be utilized in the development of this plan.

The focus of this plan is ***Recommendation 2, Case Management System***. This plan will depend on implementation of components identified in the plan to address *Recommendation 1*; such as intake, assessment and caseload management.

1.2 Overview of the Case Management System Plan

This plan describes the schedule and costs of continuing development of the case management system needed for DDD.

Since the plan was developed from high-level requirements the margin of error will be larger than an analysis based on more detailed requirements.

The design concepts discussed in this document are based on several underlying goals, which are:

- Provide automated support to meet federal and state reporting requirements through the collection, maintenance, and checking for data integrity;
- Provide for the support of system interfaces and integration necessary for the coordination of services, and for the elimination of paperwork and duplication of data collection;
- Provide more efficient, economical and effective administration of programs within DDD. This includes program management and administration for all services and case processing.
- Leverage existing information systems, such as CARE, where possible.



Report to the Legislature

The Impact of the Creation of the Aging and Disability Services Administration First follow-up report

Recommended by the Joint Legislative Audit Review Committee

December 2003

JLARC Recommendation: "Detailed reports on the impacts of the recent reorganization of DSHS-bringing DDD into the new Aging and Disabilities Services Administration-should be submitted to the Legislature. The reports should address how this reorganization will impact the provision of services to the developmentally disabled, renewal of federal "waivers," as well as detail new organizational reporting structures, including field operations. The reports should also outline the major performance and outcome measures that DDD will be held accountable for by DSHS management and the Office of the Governor."

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**DEPARTMENT OF SOCIAL AND HEALTH SERVICES
AGING AND DISABILITY SERVICES ADMINISTRATION**

**REPORT ON THE IMPACT OF THE CREATION OF THE AGING AND DISABILITY
SERVICES ADMINISTRATION—**

**First follow-up report
DECEMBER 2003**

INTRODUCTION

In a June 19, 2003 performance audit, the Joint Legislative Audit and Review Committee recommended that “Detailed reports on the impacts of the recent reorganization of DSHS – bringing DDD into the new Aging and Disability Services Administration –should be submitted to the Legislature. The reports should address how this reorganization will impact the provision of services to the developmentally disabled, renewal of federal “waivers,” as well as detail new organization reporting structures, including field operations. The reports should also outline the major performance and outcome measures that DDD will be held accountable for by DSHS management and the Office of the Governor.”

The JLARC recommended an initial report in August 2003 and follow-up reports in December 2003 and June 2004. This is the first follow-up report.

The goals of the reorganization established by the DSHS Secretary were to:

- Ensure the cultural strengths of both organizations are preserved in the new administration
- Strengthen processes that will improve credibility and accountability
- Increase efficiencies
- Assure consistency statewide in the implementation of policy

The report’s first section discusses how the reorganization is reflected in new organizational structures. Much of this information was included in the September 2003 report so this follow-up report provides more detail about the process of identifying necessary organizational changes.

The report’s second and third sections discuss how the reorganization will impact the provision of services to persons with developmental disabilities and the pending renewal of federal waivers, respectively.

The report’s fourth section discusses how the reorganization is reflected in the performance and outcome measures for which the Division of Developmental Disabilities will be held responsible.



Report to the Legislature

Impact of the Creation of the Aging and Disability Service Administration

Recommended by JLARC

September 15, 2003

JLARC Recommendation: "Detailed reports on the impacts of the recent reorganization of DSHS—bringing DDD into the new Aging and Disabilities Services Administration—should be submitted to the Legislature. The reports should address how this reorganization will impact the provision of services to the developmentally disabled, renewal of federal "waivers," as well as detail new organizational reporting structures, including field operations. The reports should also outline the major performance and outcome measures that DDD will be held accountable for by DSHS management and the Office of the Governor."

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**DEPARTMENT OF SOCIAL AND HEALTH SERVICES
AGING AND DISABILITY SERVICES ADMINISTRATION**

**REPORT ON THE IMPACT OF THE CREATION OF THE AGING AND
DISABILITY SERVICES ADMINISTRATION
SEPTEMBER 2003**

INTRODUCTION

In a June 19, 2003 performance audit, the Joint Legislative Audit and Review Committee recommended that “Detailed reports on the impacts of the recent reorganization of DSHS – bringing DDD into the new Aging and Disability Services Administration – should be submitted to the Legislature. The reports should address how this reorganization will impact the provision of services to the developmentally disabled, renewal of federal “waivers,” as well as detail new organization reporting structures, including field operations. The reports should also outline the major performance and outcome measures that DDD will be held accountable for by DSHS management and the Office of the Governor.”

The JLARC recommended an initial report in August 2003 and follow-up reports in December 2003 and June 2004. This is the initial report.

The transition to the Aging and Disability Services Administration began on October 1, 2002. The Secretary of the Department of Social and Health Services established four goals for the reorganization:

- Ensure the cultural strengths of both organizations are preserved in the new administration
- Strengthen processes that will improve credibility and accountability
- Increase efficiencies
- Assure consistency statewide in the implementation of policy

Two major changes made immediately to operationalize these goals were the reassignment of staff in certain functional areas, and establishment of performance measures for which the division will be held accountable. These two actions will be the subject of this report.

There is a great deal of work yet to come to accomplish the goals of the reorganization. Some of the necessary work will take several years to complete. Reports in December 2003 and June 2004 will contain progress reports on progress towards the goals.