

State of Washington
Joint Legislative Audit and
Review Committee

Division of Developmental Disabilities Management Audit

Report 99-3

February 16, 1999

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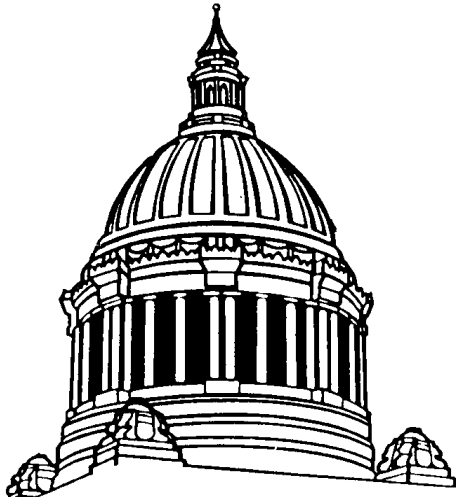


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Established by Chapter 44.28 RCW, the Joint Legislative Audit and Review Committee (formerly the Legislative Budget Committee) provides oversight of state funded programs and activities. As a joint, bipartisan legislative committee, membership consists of eight senators and eight representatives equally divided between the two major political parties.

Under the direction of the Legislative Auditor, committee staff conduct performance audits, program evaluations, sunset reviews, and other types of policy and fiscal studies. Study reports typically focus on the efficiency and effectiveness of agency operations, impact of state programs, and compliance with legislative intent. As appropriate, recommendations to correct identified problem areas are included. The Legislative Auditor also has responsibility for facilitating implementation of effective performance measurement throughout state government.

The JLARC generally meets on a monthly basis during the interim between legislative sessions. It adopts study reports, recommends action to the legislature and the executive branch, sponsors legislation, and reviews the status of implementing recommendations.



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TABLE OF CONTENTS

Chapter	Page	
	Summary	i
	Summary of Recommendations	vii
1	Introduction	1
	Mandate	1
	Program Background	2
	Audit Methodology and Limitations	11
2	Legislative Budget Provisos	15
	Introduction	15
	Provisos Were Implemented	19
	Under-expenditures of Proviso	
	Dollars is Common	20
	Legislative Provisos Have	
	Program Implications	21
	Conclusion	22
3	Planning and Forecasting	25
	Introduction	25
	Division Has A Strategic Plan	26
	Conclusion and Recommendations	30

Chapter	Page	
4	Case Management	31
	Introduction	32
	Providing Services and Managing Cases	32
	Assuring Quality	36
	Conclusion and Recommendation	40
	Coordination of Services	41
	Conclusion and Recommendation	50
5	Communication With Stakeholders	51
	Introduction	51
	Division's Communication With Legislators	52
	Division's Communications With Stakeholders are Generally Effective	54
	Conclusion	58
Appendices		
1	Sample Survey	59
2	Agency Responses	63

DIVISION OF DEVELOPMENTAL DISABILITIES MANAGEMENT AUDIT

Summary

INTRODUCTION

The Supplemental Appropriations Act of 1998 (ESSB 6108) directed the Joint Legislative Audit and Review Committee (JLARC) to complete a management audit of the Division of Developmental Disabilities (DDD) in the Department of Social and Health Services (DSHS).

What Is a Management Audit?

A management audit is an independent, objective examination of management functions of a public agency to determine if the functions are discharged efficiently and appropriately. Management audits focus on a narrower range of audit questions than traditional performance audits, which examine the outcomes of programs.

The scope of this audit is limited to an assessment of select management functions, as presented in the “Scope and Objectives” section of Chapter One. Audit findings and conclusions are discussed in this summary after the program background. Audit recommendations are summarized at the end of the summary.

Program Background

Title 71A of the Revised Code of Washington authorizes the Department of Social and Health Services (DSHS) to develop and coordinate state services for persons with developmental

disabilities. The Division of Developmental Disabilities of DSHS is responsible for assisting individuals with developmental disabilities and their families to obtain services and supports based on individual preferences, capabilities, and needs.

Depending on the resources available, the Division provides or purchases a broad range of services for eligible persons and their families. These services are both institutional and community based. The state operates five institutions—also known as residential habilitation centers (RHCs)—for individuals with developmental disabilities: Lakeland Village, Yakima Valley School, Fircrest School, Rainier School, and Frances Haddon Morgan Center.

For the 1997-99 Biennium, the Division's budget is \$854,287,000 (53.3 percent State General Fund, 45.5 percent federal funds, and 1.2 percent client contributions at the state institutions). As of June 1998, the Division's caseload was 27,233.

The Division is a decentralized system in which services for clients are coordinated at six regional offices, five state institutions, and 23 outstations. In FY98, the Division had a total of 3,448 full-time-equivalent (FTE) staff positions.

The Stakeholders Work Group was created in 1997 to provide a forum where the various stakeholders of the Division could work together to improve DDD services. The group consists of 19 members and is authorized until 2003 by SSB 6751.

LEGISLATIVE BUDGET PROVISOS

Questions: *Has the Division complied with legislative intent in implementing recent budget provisos and does the Division sufficiently monitor implementation of such provisos?*

Answers: Our analysis of a sample of five recent budget provisos indicates that the Division has implemented the provisos according to legislative intent. The Division provided JLARC with documentation that identified the assumptions made and the specific processes undertaken to implement these provisos. The documentation showed systematic tracking of the resulting programs.

The provisos we reviewed related to the following programs: respite beds at Yakima Valley School, choice of services, state mental health hospital outplacements, Employment and Day Program for the unserved, and Family Support Services for the unserved.

Proviso review
focused on 5
programs

We found that the implementation of one particular proviso relating to the Employment and Day Program has been slow. According to Division officials, the slow implementation is due to inadequate FTE levels and the need to find additional providers.

PLANNING AND FORECASTING

Audit Questions: *Does the Division have a plan for managing the state's developmentally disabled population, and is it adequately derived and consistently followed?*

Answers: The Division of Developmental Disabilities has a plan to close the gap between the number of clients currently served, and current and future needs of those underserved or unserved. The plan is the result of significant efforts to consult with its major stakeholders and uses research to forecast the Division's capability to meet client needs.

Resource
estimates
need to be
sharpened
and linked to
performance

The Division's estimates are based on research, but need to be adjusted to minimize error in projections. In deriving estimates of what it will take to close these gaps, the Division should acknowledge that there are high, moderate, and low scenarios and that any scenario considered over a stretch of time yields forecasts of increasingly less accuracy.

Furthermore, the Division has not yet linked its estimates of needed resources to performance indicators showing anticipated differences in outcomes for services delivered to its developmentally disabled clients.

CASE MANAGEMENT

Question: *How does the Division of Developmental Disabilities assess client needs and options for serving those needs to ensure efficient caseload management?*

Answer: Case managers are responsible for assessing client needs and options, as well as managing their caseload. Based on its studies, the Division contends that it cannot adequately serve its existing clientele with the current number of case managers. Our survey and interviews of field staff and stakeholders support the Division's contention. The studies, however, do not indicate to what extent qualitative changes will occur with incremental reductions in the clients to case manager ratio.

Question: *How does the Division assure quality in providing services to its developmentally disabled clients?*

Answer: Quality assurance is a key management function, which has an impact on the health and safety of individuals with developmental disabilities. Although Division officials cite lack of resources and heavy caseloads as the cause for many of the Division's shortcomings, the Division could improve its management practices relating to quality assurance. For example, strengthening the current quality assurance process by developing a quality assurance manual and designating key staff to be responsible and accountable for the overall process, could be accomplished without incurring additional costs.

Question: *How does the Division coordinate its services with other programs that provide services to developmentally disabled clients?*

Answer: Coordination efforts between field-level staff of the Division of Developmental Disabilities and other DSHS divisions are largely dependent upon the initiative and success of individual case managers or regional staff. Although central office staff and DSHS management do attempt to coordinate services, they may have little impact on the effectiveness of that coordination at the case management level. The Division's broader coordination efforts with other state and county entities also need improvement.

Quality
assurance and
coordination
need
improvements

Effective coordination is part of a larger challenge within the Department of Social and Health Services. For any one division to coordinate its services with others, coordinated service delivery must be a priority of the entire department's management.

COMMUNICATION WITH STAKEHOLDERS

Question: *Does the Division communicate effectively with clients, stakeholders, and the legislature?*

Answer: Communication with legislators, legislative staff, and program stakeholders has improved over time, but the Division still faces the challenge of effectively communicating its plans for meeting the needs and demands of several, often opposing, stakeholders.

We found that communications with legislators, legislative staff, and developmental disabilities constituents are generally effective, and that the Division does not intentionally try to mislead clients and decision-makers. Stakeholders report that communications with the Division have improved over time, and that the Stakeholders Work Group has played a significant role in that improvement.

AGENCY RESPONSE

We have shared the report with the Department of Social and Health Services (DSHS) and the Office of Financial Management (OFM) and provided them an opportunity to submit written comments. Of the report's four recommendations, the agencies concur with Recommendations 1, 2, and 4 and partially concur with Recommendation 3. Their written comments are attached as Appendix 2.

ACKNOWLEDGMENTS

We appreciate the assistance and cooperation extended to us by Division of Developmental Disabilities staff (both regional and

Stakeholders
report that
communication
has improved

central), Office of Research and Data Analysis staff, and Stakeholders Group members. This study was conducted by Joint Legislative Audit and Review Committee staff members Rakesh Mohan and Heather Moss. Mimi Sheridan of the Sheridan Consulting Group was retained to conduct the communication piece of the study. Dr. Lowell “Duke” Kuehn of the Pacific Northwest Consulting Services served as the project supervisor.

Thomas M. Sykes
Legislative Auditor

On February 16, 1999, this report was approved by the Joint Legislative Audit and Review Committee and its distribution authorized.

Representative Cathy McMorris
Chair

RECOMMENDATIONS

Summary

Recommendation 1

The Division of Developmental Disabilities should reflect an array of variable possibilities ranging from high to low when projecting needs for case managers to fully manage Division caseloads and for funds to meet unmet needs of clients.

Legislation Required:	No
Fiscal Impact:	No
Completion Date:	January 2000

Recommendation 2

The Division of Developmental Disabilities should link estimates of resources needed to performance measures indicating varying levels of service and quality of outcomes anticipated with changes in funding or staffing.

Legislation Required:	No
Fiscal Impact:	No
Completion Date:	January 2000

Recommendation 3

The Division of Developmental Disabilities should strengthen its quality assurance process by developing a quality assurance manual and designating key staff to be responsible and accountable for the overall process.

Legislation Required:	No
Fiscal Impact:	No
Completion Date:	January 2000

Recommendation 4

The Division of Developmental Disabilities and the Department of Social and Health Services (DSHS) should increase efforts of coordination between divisions and among other entities outside of DSHS to improve coordination at the case management level. This can be done by sharing current best practices and by considering systemic changes for more coordinated service delivery.

Legislation Required:	No
Fiscal Impact:	No
Completion Date:	January 2000

INTRODUCTION

Chapter One

MANDATE

The Supplemental Appropriations Act of 1998 (ESSB 6108) directed the Joint Legislative Audit and Review Committee (JLARC) to complete a management audit of the Division of Developmental Disabilities (DDD) in the Department of Social and Health Services (DSHS). The Act required JLARC to provide the audit report to the legislature by January 8, 1998, and include the following objectives in its audit:

- Evaluate organizational structures, management practices, and performance measurement system.
- Assess the impact of overlapping statutory responsibilities with other divisions and state agencies.
- Make recommendations that would result in significant management improvements in the Division's operations.

Scope and Objectives

Pursuant to ESSB 6108, this management audit of the Division of Developmental Disabilities examines whether the Division's management has discharged its responsibilities appropriately, efficiently, and effectively in implementing legislative mandates. Following are the audit objectives:

- Determine how effectively the Division meets legislative intent, pursuant both to statute and to budget appropriations.
- Evaluate how the Division assesses client needs and options for serving these needs to ensure efficient caseload management.

JLARC was directed to conduct a management audit

- Assess the Division's process for assuring quality service delivery in the management of client cases.
- Assess the manner in which the Division informs and responds to the legislature and stakeholders about its management practices.

PROGRAM BACKGROUND

Title 71A of the Revised Code of Washington (RCW) authorizes the Department of Social and Health Services to develop and coordinate state services for persons with developmental disabilities. The Division of Developmental Disabilities of DSHS is responsible for assisting individuals with developmental disabilities and their families to obtain services and support based on individual preferences, capabilities, and needs.

Description of Program and Services

Developmental disability defined

State law (RCW 71A.10.020) defines a developmental disability as a disability attributable to mental retardation, cerebral palsy, epilepsy, autism, or another neurological or other condition closely related to mental retardation. Such a disability must originate before the individual reaches 18 years of age and is expected to continue indefinitely. Criteria for eligibility are defined in Washington Administrative Code (WAC).

Depending on the resources available, the Division provides or purchases a broad range of services for eligible persons and their families. Following is a brief description of those services:

Case Management. Division staff conduct eligibility determinations, identify interests and support needs of the eligible persons and their families, coordinate planning and development of resources, and monitor service delivery.

Community Residential Services. The Division contracts for these services for individuals who require assistance with daily living. Community residential services are of two types:

- Facility-Based Program – Includes Group Homes, Intermediate Care Facilities for Mentally Retarded (ICF/MR), and Voluntary Foster Care and Group Care for

Children. The Intermediate Care facilities must meet federal standards in order to receive federal Medicaid matching funds.

- Non-Facility-Based Program – Provides staffing support to persons living in their own homes in the community. Clients pay for rent, food, and other personal expenses. Examples include Alternative Living, Tenant Support (provides support on a flexible schedule), and Intensive Tenant Support (provides 24-hour support). State Operated Living Alternatives (SOLA) provide similar services to those described above but are staffed by state employees.

Residential Habilitation Centers (RHC). These are state-operated residential facilities that provide a wide range of clinical and support services. These facilities are federally-certified and receive matching funds through Medicaid. There are five of these facilities statewide:

- Lakeland Village in Medical Lake serves 289 persons
- Yakima Valley School in Selah serves 128 persons
- Fircrest School in Seattle serves 343 persons
- Rainier School in Buckley serves 447 persons
- Frances Haddon Morgan Center in Bremerton serves 56 persons

Other DSHS Facilities. The Division also provides services to individuals with developmental disabilities living in licensed facilities administered by other DSHS programs. These include the following:

- Adult Family Homes – House up to six persons who cannot live alone but do not require skilled nursing care.
- Nursing Facilities – Serve individuals who require daily nursing care.
- Adult Residential Care Facilities – Provide 24-hour supervision and assistance with daily living activities for large groups of people within a licensed boarding facility.

Five state-operated institutions

- **Children's Foster Care and Group Care** – Provide residential care for children who cannot live with their parents.

Employment and Day Programs. The Division contracts through intergovernmental agreements with counties for such activities as community resource development, planning, and local service coordination along with three types of services that will help individuals integrate into the community:

- **Child Development Services** – Through contracts with counties, provide therapy, education, family counseling, and training to children until age three when they become eligible and transition to services through public schools and/or other programs.
- **Employment Services** – Assist individuals with pre-vocational training in a sheltered setting and/or finding and keeping a job.
- **Community Access Services** – Emphasize the development of social, communication, and leisure skills.

Infant Toddler Early Intervention Program. This program receives federal funds to enhance and coordinate existing early intervention services including Family Resources Coordination for infants and toddlers, ages birth to three, with developmental delays and their families.

Family Support Services. The Division provides families with support, including respite care, necessary to keep developmentally disabled individuals at home.

Professional Support Services. The Division funds a range of services that enhance functional and adaptive skills of individuals:

- **Counseling and Therapeutic Services**
- **Supplemental Community Support**
- **Specialized Medical and Dental Services**

Medicaid Personal Care. This program provides assistance with personal care tasks to Medicaid-eligible individuals living in

their own homes, adult family homes, or adult residential care facilities. It is a federally-matched entitlement program.

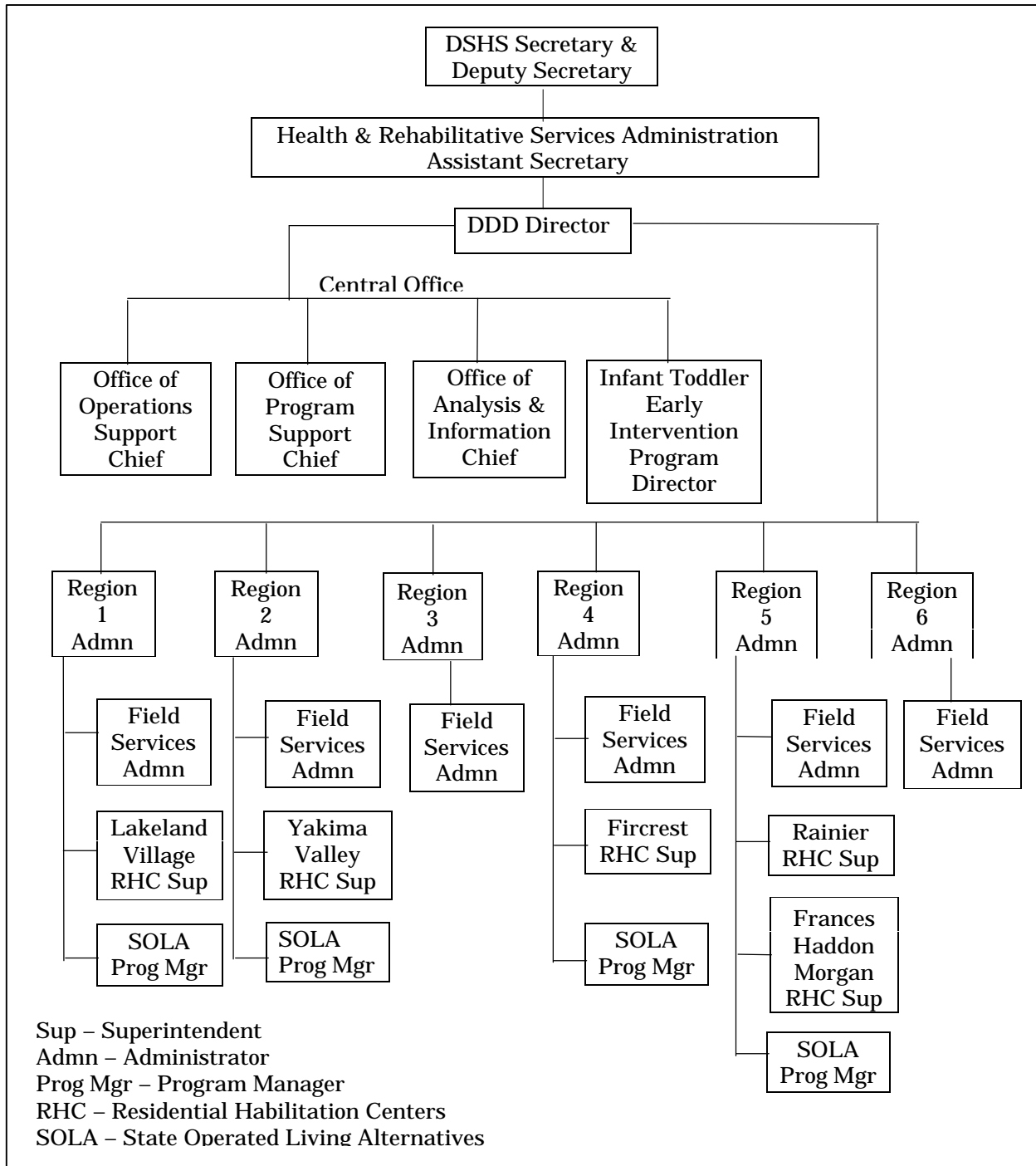
Foster Care program. Provides voluntary placement of children under age 18 with developmental disabilities in foster care, group care, and in-home support services.

Division Organization

The Division of Developmental Disabilities is a decentralized system in which services for clients are coordinated at six regional offices, 23 outstations, and five residential habilitation centers (commonly referred to as RHCs or institutions). As shown in Exhibit 1, the central office is structured around four major areas: Operations Support, Program Support, Analysis and Information, and the Infant Toddler Early Intervention Program.

**Division's
operation is
decentralized**

Exhibit 1 Division of Developmental Disabilities' Organization Chart



Source: Prepared by JLARC staff using Division documents.

In FY98, the Division had a total of 3,448 full-time-equivalent (FTE) staff positions. As shown in Exhibit 2, the majority of these positions were at the five institutions. Other than the institutions and the State Operated Living Alternatives, contract service providers provide all direct services to Division clients. This includes all other residential programs, such as Alternative Living and Intensive Tenant Support, and services such as Supported Employment, Medicaid Personal Care, Child Development, and Family Support.

**Exhibit 2
Distribution of Staff**

Areas of Staff Distribution	Number of Staff (FTE)
Institutions	2,884
Field Services	274
State Operated Living Arrangements (SOLA)	229
Central Office Administration	61
Total	3,448

Source: Division of Developmental Disabilities.

84 percent of division staff are at institutions

Stakeholders Work Group Is Now Mandated by Law

The Stakeholders Work Group was created by the DSHS Secretary in 1997 to provide a forum where the various stakeholders of the Division of Developmental Disabilities could work together to decide how the Division could best serve them. The group consists of 19 members.

The group was initially charged “to develop recommendations on future directions and strategies for service delivery improvement, resulting in an agreement on the direction the department should follow in considering the respective roles of the RHCs and the community programs, including a focus on the resources for people in need of service.” The group began meeting in June 1997 to discuss this task. In August 1997, a mediator was brought in to help them reach an agreement in principle. This agreement was reached by the end of the year and was enacted into legislation and signed early in 1998 (SSB 6751). In addition to creating the “choice” model, SSB 6751 authorizes the group until 2003.

During the first phase of its existence, the Division was basically one stakeholder among equals in developing the agreement in principle. In the second phase, developing a plan for the future, the Division's role changed. According to its officials, the Division's role is to take action with the assistance of the group. The Stakeholders Work Group is not a separate entity that will act on its own.

Sources of Funds, Expenditures, and Caseload

For the current 1997-99 Biennium, the Division operates with a budget of \$854,287,000. Just under half (\$388,856,000 or 45.5 percent) of the Division's biennial budget is comprised of federal dollars. The State General Fund comprises 53.3 percent, or \$455,063,000. Client contributions at the institutions make up the remaining 1.2 percent. The Division's current caseload is 27,233.¹

Exhibit 3 shows the growth in the Division's expenditures and caseload from FY94 to the current fiscal year. As indicated, the Division's expenditures have grown by an average annual increase of 4.8 percent in adjusted dollars,² while the caseload has grown by an average annual increase of 7.5 percent during the same period.

Exhibit 3 Annual Expenditure and Caseload Growth

(Dollars in thousands)

Fiscal Year	Budgeted Dollars	Percent Change	Adjusted Dollars (1994)	Percent Change	Total Caseload Size	Percent Change
1994	324,881	-	324,881	-	20,389	-
1995	322,973	-0.6%	315,712	-2.8%	21,646	6.2%
1996 ³	356,619	10.4%	341,766	8.3%	23,494	8.5%
1997	379,215	6.3%	356,644	4.4%	25,769	9.7%
1998	404,871	6.8%	377,377	5.8%	27,233	5.7%
1999	448,657	10.8%	410,310	8.7%	NA	NA
94-98 change		6.7%		4.8%		7.5%

Source: JLARC analysis based on EMIS reports and Division documents.

¹As of June 1998, per EMIS (Executive Management Information System) reports dated August 25, 1998, provided by the Division.

² For comparison purposes, annual budgets are expressed in 1994 dollars.

³ Transfer of Aging Medicaid Personal Care dollars shifted from the Aging and Adult Services to the Division of Developmental Disabilities during FY96 & 97.

Budget is growing at 4.8 percent . . .

. . . and caseload is growing at 7.5 percent

Major expenditure categories. Within the Division’s budget, community services and institutions together comprise over 97 percent of the total.⁴ Their respective portions of the total budget have shifted since FY94 however. In FY94, institutions accounted for just under half (49 percent) of the total Division budget. In FY99, however, they account for one-third (33 percent) of the budget. Community services have increased from half to two-thirds of the budget.

Central office costs have accounted for between 0.6 and 1 percent of the total Division budget, and will be at that lowest point this current fiscal year. Remaining costs (“Other”) in the Division include special projects, the Infant Toddler Early Intervention Program, and the Deaf and Hard of Hearing Program.

Central office budget is at its lowest in 6 years

Exhibit 4 shows the details of the changes in these major expenditure categories over time.

**Exhibit 4
Major DDD Expenditure Categories, Over Time**

(Dollars in thousands)

Fiscal Year	Community Services	Percent of Total	Institutions	Percent of Total	Central Office	Percent of Total	Other	Total
1994	163,187	50%	157,990	49%	2,870	0.9%	834	324,881
1995	172,989	54%	143,408	44%	3,076	1.0%	3,500	322,973
1996	207,880	58%	140,191	39%	3,078	0.9%	5,470	356,619
1997	229,056	60%	139,900	37%	3,399	0.9%	6,860	379,215
1998	248,787	61%	145,240	36%	3,320	0.8%	7,524	404,871
1999	291,510	65%	146,728	33%	2,695	0.6%	7,624	448,557

Source: JLARC analysis based on EMIS reports and Division documents.

Within Community Services, residential programs again account for the largest budget component. Exhibit 5 on the next page shows annual average per client costs for community services in FY97. For comparison purposes, the annual average cost per client at a residential habilitation center is also noted. This

⁴ Community Services includes all residential and non-residential services except for the institutions.

exhibit represents approximately 96 percent of total Division expenditures for FY97.⁵

Exhibit 5
Average Annual Costs for DDD Services, FY97

	DDD Services	Total Expenditures	Clients	Annual Avg. Per Client
State-run Residential Programs	All RHCs (Institutions)	\$139,900,225	1,338	\$104,559
	SOLAs	9,188,683	115	79,902
Contracted Residential Programs	Intensive Tenant Support	66,236,954	1,481	44,724
	Group Homes	17,154,973	660	25,992
	Supportive Living	10,642,068	970	10,971
	ICF/MR Program	9,629,138	170	56,642
	Alternative Living	1,599,342	667	2,398
	Tenant Support	817,484	90	9,083
	Other Residential Support	8,824,841	NA	NA
Other Programs	Professional Services	3,306,666	NA	NA
	Personal Care ⁶	41,322,458	6,555	6,304
	Employment & Day Programs	34,873,020	8,273	4,215
	Field Services (Case Management)	14,316,212	26,127	548
	Family Support	6,982,125	3,870	1,804

Source: The Division of Developmental Disabilities' Financial Reporting System and Trends and Patterns Database.

The two state-operated residential programs, Residential Habilitation Centers (RHCs) and State Operated Living Alternatives (SOLAs), have the highest annual per resident cost. Of the contracted residential programs, Intermediate Care Facilities for Mentally Retarded (ICF/MR) are the highest unit cost. The Division reports, however, that use of these facilities has been declining. The second most costly contracted residential program is the Intensive Tenant Support (ITS) program. This is

⁵ For Exhibit 5, FY97 is shown, as the count on average number of clients for FY98 was not available. The remaining 4 percent of the FY97 expenditures includes the Infant Toddler Early Intervention Program, Special Projects, the Central Office, the Deaf & Hard of Hearing Program, and "Other Community" costs in Community Services.

⁶ Personal Care includes costs for 1,102 clients residing in Adult Family Homes and 256 clients residing in Adult Residential Centers.

Institutions
comprise 40
percent of
division
budget . . .

. . . and
serve 5
percent of
the caseload

the residential service support option for developmentally disabled clients who require 24-hour support and monitoring.

Although the average annual per client cost for field services (or, case management) is \$548, this does not indicate actual time spent with each client. For more analysis of case management, see Chapter Four.

AUDIT METHODOLOGY AND LIMITATIONS

What Is a Management Audit?

A management audit is an independent, objective examination of management functions of a public agency to determine whether the functions are discharged efficiently and appropriately. Management audits focus on a narrower range of audit questions than traditional performance audits, which examine the outcomes of programs.⁷

Audit focuses on management functions

Management functions—presumed to be essential to any organization in achieving its mission—have traditionally been defined as follows:⁸

- Planning – Set long-term, strategic goals and short-term, tactical objectives for the program.
- Organizing – Create a structure and procure necessary resources to ensure program implementation.
- Controlling and Monitoring – Develop procedures to ensure that program objectives are being carried out, assess progress towards goals, and make necessary corrections.

⁷ United States General Accounting Office. Government Auditing Standards, 1994.

Sylvia, R. D., Sylvia, K. M., and Gunn, E. M. Program Planning and Evaluation for the Public Manager, Prospect Heights, Ill: Waveland Press, 1997.

⁸ Massie, J. L. Essentials of Management, Prentice Hall, 1986, 4th Edition.

Kreitner, R. Management, Houghton-Mifflin College, 1998, 7th Edition.

- Directing and Influencing – Provide the leadership, directives, and training to assist staff to achieve program goals.

Background Research

As part of this audit, we conducted literature reviews, researched relevant Washington State legal and budget documents, and reviewed state agency documents. In developing our audit scope and objectives, we interviewed legislators and their staff, officials of the Office of Financial Management, agency officials, and members of the Stakeholders Work Group. We also discussed the scope with staff of the University of Washington Center for Disability Policy and Research and the federal Department of Education, Office of Special Education.

Financial Review

We analyzed two components of the financial management of the Division for this audit. The first is a more general overview of the trends in budget, expenditures, and caseload growth of the Division from FY94 to the current fiscal year, 1999. To do this analysis, audit staff analyzed budget documents and caseload reports, and interviewed budget and fiscal staff. This information is located in this chapter under “Program Background.”

The second component is a case study review of five recent legislative budget provisos to the Division in the 1997-99 and 1995-97 Biennia. We conducted these case studies by reviewing implementation and tracking materials from the Division and by interviewing program and fiscal staff. Results from this analysis are discussed in Chapter Two, “Legislative Budget Provisos.”

Strategic Plan and Assumptions Review

The Division’s strategic planning process was underway when this audit began. The audit team reviewed planning documents as they were developed and modified, and met with and interviewed the principal researchers at the DSHS Office of Research and Data Analysis (ORDA). We reviewed the working papers produced by the researchers, all copies of presentations

made to Division management and the Stakeholders Work Group, and their appendices to the final report.

Audit staff also inspected the raw data and estimation models (spreadsheets) that were part of the Case Manager Workload study. Our analysis included a review of the Division's strategic plan and performance measures (as reported on the state budget form, B-11) as included in the department's 1999-2001 budget request as well as the last year's reports of the Division's response to the Governor's Quality Initiative. The findings and conclusions of this analysis are located in Chapter Three, "Planning and Forecasting."

Site Visits and Staff Survey

Fieldwork for the audit also included analyzing agency documents and interviewing program officials and case managers in the central and regional offices. To understand the day-to-day field operations as they relate to the management of the Division of Developmental Disabilities, we sent a questionnaire to all staff members who manage cases (see Appendix 1 for a copy of the survey). The staff included case/resource managers and outstation managers. Survey results are discussed in Chapter Four, "Case Management."

JLARC staff also conducted site-based interviews at each of the Division's six regional offices. These interviews were with case managers and field services supervisors, and focused on how the Division coordinates its services with other providers who serve Division clients. In addition to the site interviews, we interviewed central office staff and other representatives of all other programs that serve clients with developmental disabilities, as well as reviewed applicable interagency agreements. The findings and conclusions from these analyses are located in Chapter Four.

Stakeholders Input

To seek input from various stakeholders about communication-related issues, we interviewed members of the Stakeholders Work Group. Group members have been involved with developmental disabilities issues and are knowledgeable about the program and services of the Division of Developmental Disabilities. In addition, many of these members are individuals with developmental disabilities, parents of individuals with developmental disabilities, and individuals who are in direct contact with parents of individuals with developmental disabilities. Chapter Five, “Communication with Stakeholders,” contains our findings from these interviews.

Audit Limitations

As mentioned earlier, the scope of this audit is limited to an assessment of select management functions, as presented in the “Scope and Objectives” section of this chapter.

We did not evaluate the effectiveness of Washington State’s policies or programs for people with developmental disabilities. Because of time limitations, we were not able to verify specific processes by reviewing case files; nor did we compare the management of the Division of Developmental Disabilities with similar programs in other states. Furthermore, the audit scope did not include assessing the Division’s financial management controls.

LEGISLATIVE BUDGET PROVISOS

Chapter Two

Audit Questions:

- *Has the Division complied with legislative intent in implementing recent budget provisos?*
- *Does the Division sufficiently monitor implementation of such provisos?*

Answers: Analysis of a sample of recent budget provisos indicates they have been implemented according to legislative intent and have been adequately to well monitored. However, implementation of one proviso has been slow. The Division reports that the slow implementation is due to inadequate FTE levels and the need to find additional providers.

INTRODUCTION

This chapter focuses on the first objective within the scope of this audit, which is to determine how effectively the Division of Developmental Disabilities meets legislative intent, pursuant both to statute and to budget appropriations. More specifically, this chapter examines how the Division complies with legislative mandates in the form of budget provisos.

During the 1998 Legislative Session, 9 percent of the Division's budget was allocated within specific, mandated budget provisos, or "line items." Although this is not an unprecedented level of proviso restrictions on a program's funds, either within DSHS or outside of it, the pattern specific to the Division is noteworthy. The most recent 9 percent compares to a 7 percent level in the first budget cycle of the 1997-99 Biennial Budget, and then 2 percent for each fiscal year in the 1995-97 Biennium. This

Rate of
provisos has
increased

pattern highlights the legislature's growing attention on the Division.

During the course of our pre-audit survey, several legislators and legislative staff explained the rationale behind constraining the Division's operations with an increasing number of provisos. They reported their concerns about how the Division used previous appropriations and questioned how the Division tracks actual expenditures of proviso dollars to ensure they are expended according to legislative intent.

Criteria for Evaluating Proviso Implementation

When examining how a department or division implements a program (which in this case originates from a legislative proviso), we determine how well it meets the following general criteria:

- Sound rationale for major actions taken
- Thorough documentation of process
- Ongoing tracking of implementation
- Actual success at meeting proviso goals

Study of Five Budget Provisos

This section of the audit analyzes how the Division has implemented and tracked specific provisos in the 1995-97 and the 1997-99 Biennia. These five provisos were selected for their fiscal impact, policy significance, and/or legislative interest. Together, they provide a general impression of how the Division implements, manages, and tracks such provisoed programs. An overview of the year-end budget reconciliation also provides information about how proviso dollars were expended.¹ The provisos analyzed in this audit are described below:

Provisos used as case studies

¹ All funded provisos are given a unique appropriation code so that expenditures can be separated from general operations and tracked more specifically.

Respite Beds at Yakima Valley School.²³ The Division of Developmental Disabilities was appropriated \$800,000 (\$400,000 in state funds and \$400,000 in federal funds) for the current biennium to provide 16 new respite beds at Yakima Valley School. In the same budget bill, they were also directed to provide an additional eight respite beds *within existing appropriations*.⁴

Implementation of SSB 6751.⁵ SSB 6751 is a developmental disabilities policy bill passed in the 1998 Legislative Session. It summarizes an agreement between multiple interests in the developmental disabilities stakeholders, including persons with disabilities, advocates of institutions, advocates of community services, a state employees' labor union, and developmental disabilities service providers.⁶

The agreement reached between the two groups is for the Division to provide an equal **choice of services** to those clients who are assessed to have service needs that could be provided in an institution. If a client is determined to need that level of service, he or she is to be offered an equal choice to receive services at an institution or in a community setting. This legislation put the choice model into law. The budget proviso did not appropriate any new money to implement SSB 6751, but allowed the Division to use up to \$2.2 million of current appropriations to do so.

One proviso
emphasized
choice

² ESSB 6108, Sec. 205 (2) (a) (b).

³ Respite beds are temporary settings for developmentally disabled individuals during which primary caregivers are allowed a "respite." There are limited respite beds at each institution; Yakima Valley School is the only institutional respite program in the state. Other forms of respite are available in community settings.

⁴ The Division has interpreted this proviso, and the reference to the other eight beds, as duplicative, and continued under the assumption that it was being asked to provide only a total of 16 beds. *There has been no legislative response to this assumption.*

⁵ ESSB 6108, Sec. 205 preamble.

⁶For a description of the Stakeholders Work Group, see "Stakeholders Work Group Is Now Mandated By Law," in Chapter One.

State Mental Health Hospital Outplacements.⁷ The Division was appropriated \$426,000 in state funds and \$469,000 in federal funds to develop and operate community services for persons residing at Eastern and Western State Hospitals who could not be placed in any available and appropriate residential vacancies.⁸

Employment and Day Programs for the Unserved.⁹ The Division was budgeted \$200,000 in state funds in FY98 and \$1,592,000 in state funds in FY99 to provide employment and day programs for approximately 360 adults who were previously not served due to funding limitations.¹⁰

Family Support Services for the Unserved.¹¹ The Division was provided \$500,000 from the Health Services Account in FY96 and \$3.5 million in FY97 to provide family support services to families who needed, but were not receiving, them. The first year's funds were to be distributed according to most critical need, at the Division's discretion. The second year's funds were to be distributed to families according to priorities developed with stakeholders.¹²

⁷ ESSB 6108, Sec. 205 (1)(h).

⁸ Many developmentally disabled clients who also suffer from mental illness often spend some time in a state mental hospital. Due to the lack of new services available to developmentally disabled clients, some developmentally disabled patients in state hospitals are forced to stay longer than is clinically necessary. Either they have nowhere else to go, and/or they pose a significant health or safety risk to themselves, their family, or the general public. This shifts the burden of caring for a developmentally disabled client from DDD to the Mental Health Division, and also puts the state hospitals at risk of losing federal accreditation and subsequent funding.

⁹ ESSB 6108, Sec. 205 (1)(i).

¹⁰ The Division was not involved in drafting this proviso or providing information about the unmet needs and associated costs in employment and day programming. The Division reports that it would have normally requested additional funds, FTEs, and a different schedule to serve this number of developmentally disabled clients.

¹¹ ESHB 1410, Sec. 205 (1)(b).

¹² Prior to the program revisions that resulted from this budget proviso, the Family Support Program was provided to families at risk for an out-of-home placement of their developmentally disabled family member. The approach of the new program, as developed by the work group, is to reduce the overall length of time a family receives family support dollars and to reduce the amount of dollars received by relying more on natural "strengths" and pre-existing resources within the community. In the second year, the program was able to serve approximately 1000 new families.

PROVISOS WERE IMPLEMENTED

Generally, we found that the Division was able to provide information for each proviso that met the criteria as established on page 16 of this report. The following examples will highlight some of the positive implementation processes and tracking documentation we found.

- Yakima Valley School (YVS) maintains a detailed list of who requests and receives fliers about the respite program. It also maintains a calendar to coordinate requests for respite. Although YVS has not developed priority criteria for who will be served, it has met all of the demand for its respite program to date. The program as yet has not filled more than 12 of the 16 beds at any one time.
- The Division provided JLARC with a thorough and succinct summary of the implementation process for SSB 6751, which included a detailed account of how the potential client pool was narrowed from the entire caseload to the 23 clients who are actually being served.
- Division staff provided a positive description of how they have coordinated with the Division of Mental Health (MH) to identify past trends and current circumstances of developmentally disabled clients within the state hospital system who are eligible for discharge. The Division provided JLARC with charts showing the trend data and with a summary update sheet identifying the clients scheduled to be moved, where they were moving to, where they were moving from, the date of their move, and the costs of their developmental disabilities residential placement. These documents demonstrated the efforts the Division is making to implement and track this proviso, and to prepare for services for this population into the future.
- The funds allocated to provide unmet employment and day program needs were divided among the counties according to the total of their unmet needs, relative to the county's total population. Additionally, the Division created a unique budget code to identify new clients who were served with this specific funding. The one concern we noted with

Each proviso
was
implemented
and tracked

this proviso was that the Division did not establish a common process for prioritizing which clients with unmet needs would receive services at the local or county level. This was determined either by regional staff, individual case managers, or some combination of the two.

- Division staff provided JLARC with detailed policy and fiscal background for the Family Support Program proviso. This is particularly notable, given that this particular proviso was mandated over four years ago. Additionally, the Division is contracting with the University of Washington Center for Disability Policy and Research to conduct an evaluation of the effectiveness of the revised program.

Overall, the provisos we examined were implemented according to legislative intent. Additionally, the Division was able to provide sufficient documentation to demonstrate how it tracks the implementation process and the actual expenditure of proviso funds.

UNDER-EXPENDITURES OF PROVISO DOLLARS IS COMMON

As noted above, we found the Division to be in compliance with meeting the intent of these specific legislative provisos. However, we did notice a common trend that raised concerns. Two of the three provisos studied from the most current budget cycle (that had funding attached to them) were under-expended during FY98, as indicated below:¹³

- Almost 25 percent (\$48,000) of FY98 state fund dollars for the Yakima Valley School respite beds was not spent. The Division reports that the under-expenditure was due to phase-in of the program as a result of cottage renovation construction projects and actual use falling below the appropriation as determined by the legislature.

¹³ The third proviso, State Mental Hospital outplacements, did not receive appropriated funds until the beginning of FY99.

- Of the \$200,000 allocated for employment and day programs in FY98, \$170,000 (85 percent) was not spent.¹⁴ The Division states this is due to the time involved in re-prioritizing cases and identifying additional providers. It also indicates that significant under-expenditures may occur again in the current fiscal year, due to the same reasons.

As noted above, there are unique circumstances that led to the under-expenditures for each proviso studied. On a more general level, it is important to understand that the Division may under-expend funds for a program intentionally. For example, although the Division was authorized to expend up to \$2.2 million to implement SSB 6751, it has intentionally limited FY98 expenditures to approximately \$1.2 million. The intent is to maintain expenditures for this program within \$2.2 million for a full fiscal year. When a program is being implemented, and clients are brought on over time, the first year's expenditures do not reflect total future fiscal implications.

The one under-expenditure that raises concern is the Employment and Day Program proviso funds. The implication of not implementing this program according to legislative intent is that services are not provided to clients as quickly as possible. Other than the rationale provided to us by the Division, we did not investigate whether the reason behind this under-expenditure is due to unrealistic expectations on the part of the legislature, or ineffectiveness of the Division.

LEGISLATIVE PROVISOS HAVE PROGRAM IMPLICATIONS

The increased use of budget provisos means, as one Division official stated, "virtually all of our program enhancements now come to us through budget provisos."

¹⁴ The Division and some county employees contend that some portion of the under-expenditures were actually spent, but were recorded incorrectly in the accounting system due to coding errors at the county level and within DSHS. The Division is in the process of investigating this possibility and will "clean up" the actual expenditure data.

**Division
expects
continued
under-
expenditures**

Many of these legislative provisos establish new services, the need for which will be perpetual. In effect, many of the provisos that increase services within an existing program will create continued need for those newly-served clients. This causes substantial increases in the Division's carry-forward budget levels (equal to or greater than the original proviso amount).¹⁵ Hence, some of the growth in the Division's budget is attributed to demand set in motion through legislative initiatives. Legislative provisos do not always address programmatic issues related to overall caseload growth.

The proviso that established the respite program at Yakima Valley School illustrates this tendency. The program has never served more than 12 clients at any one time, but it is equipped to serve up to 16. Although the Division expects the usage will increase as more families learn about the program, there still is the potential that the allocation of 16 beds exclusively for this purpose may be too many. The Division may find it could reduce costs by lowering the number of respite beds available, which would make funds available for services elsewhere.¹⁶ Because this program was established by legislative mandate, the Division would first have to take the step of asking the legislature to amend the direction of the original proviso.

CONCLUSION

The five provisos studied here indicate compliance on the part of the Division of Developmental Disabilities to implement budget provisos according to legislative intent. The Division was able to provide JLARC with documentation that identified the assumptions made and the specific processes undertaken to implement these provisos. The documentation showed systematic tracking of the resulting programs.

¹⁵ If clients are added on over time, the costs associated with their needs will have to be annualized for any subsequent budget year. Additionally, any increases in provider costs are assumed in the carry-forward.

¹⁶ Due to the Division's method of staffing Residential Rehabilitation Center cottages, eight beds would have to be reduced in order to result in actual staff savings.

We also noted satisfactory updates on how the Division was succeeding in meeting the goals of the programs. However, the contents of these updates indicate the Division under-expend proviso funds. Although this is partially legitimate, due to lower than expected needs, unavailable appropriations, or caution for future expenditure requirements, audit staff did raise concern that the Employment and Day Program proviso is not being implemented as efficiently as possible.

PLANNING AND FORECASTING

Chapter Three

Audit Questions: *Does the Division have a plan for managing the state's developmentally disabled population, and is it adequately derived and consistently followed?*

Answers: The Division of Developmental Disabilities has a plan to close the gap between the number of clients currently served and current and future needs from those underserved or unserved. The plan is the result of significant efforts to consult with its major stakeholders and use research to forecast the Division's capability to meet client needs.

The Division's estimates are based on research, but need to be adjusted to minimize error in projections. Proposed changes in levels of staffing must be tied to specific differences in the quality and quantity of services delivered to developmentally disabled clients.

INTRODUCTION

This chapter reviews the Division's approach to planning, looks at its most current strategic plan, and assesses the methodology of the analysis upon which its forecasts are based. The Division, as part of its work with the Stakeholders Work Group, was in the midst of a planning process when this audit began. We were able to review planning documents as they were developed and modified. The Department of Social and Health Services' Office of Research and Data Analysis (ORDA) shared working papers, analyses, forecasting models and, in some cases, raw data, for our review of the research upon which much of the Division's planning is based.

Planning refers both to processes that encourage strategic thinking throughout an organization as well as to the documents

that guide decision-making. The criteria for good planning, for the purposes of this audit, are characterized by:

- Decision-making based on data, consultation with stakeholders, and congruency with organizational mission.
- Clearly stated, measurable goals and objectives.
- Feasible action plans tied to well-defined resource requirements, lines of accountability, and timelines for achievement.
- Methods for measurement and evaluation of performance; mechanisms for plan modification and performance improvement.

DIVISION HAS A STRATEGIC PLAN

Stakeholders were involved in strategic planning

The Division has, in fact, two strategic plans. One of the plans was developed in compliance with Office of Financial Management requirements as part of the operating budget of DSHS. The other plan, entitled *Strategies for the Future, Long Range Plan Report, Phase 1: 1999-2001*, was developed by staff in consultation with the Stakeholders Work Group and meets requirements laid out in SSB 6751.

The long-range plan prepared in response to SSB 6751 contains the same authorization, mission, vision, and value statements as the plan accompanying the Division's budget. The long-range plan presents a detailed outline of a way to close the forecasted gap between the number of cases presently managed and estimates the magnitude of need for the next six years.

Good Planning Process with Some Ambiguity

Planning responds to SSB 6751

The long-range plan generated in response to SSB 6751 is the product of a well-conceived and carefully managed process. It is based on internal and external data that scans the strengths and weaknesses of the Division, solicits input from stakeholders, and focuses on long-term issues. The analysis is truly strategic, concentrating on improvements that could significantly improve the Division's ability to meet its mission and address unforeseen policy and operational issues as they arise in the future.

The planning process is in its first phase. Considerable work lies ahead for the Division and the Stakeholders Work Group in the second and third phases of the planning process as they add detail and clarity to what is presented in the current long-range plan. Measurable objectives and performance indicators relating to the goals should be included in the strategic plan to prevent confusion in its implementation and in evaluation outcomes.

The plan, at this stage of its development, does include two goals that are presented as strategies:

1. Stabilize the current system to begin closing the gap between needed and currently provided services.¹
2. Restructure the system to better provide services in the most cost-effective manner.

Both of these goals are generally consistent with the Division's mission and vision and are clearly tied to expectations stated in SSB 6751. No objectives follow Goal 1, nor are any action plans or performance measures identified, although recommendations for staffing increases targeted to close the unmet need gap are proposed. A timeline, in the form of a 2001 end date, is implied. Goal 2 is accompanied by an action plan that calls for further "plan to plan" studies by task forces to develop recommendations for future goals.

Forecasts Based on Research

The strategic plan's "goals" are based on conclusions drawn from two separate studies done by the ORDA;² one determines the Division's case management workload, the other estimates unmet service needs. Washington State's developmental disability caseload is also benchmarked to those of other states.

The Division's research combines several approaches to determine case management workload and unmet service needs.

¹ Based on its research, the Division concludes that there are a substantial number of people on its caseload who are not receiving full levels of needed services, and there are others who are not on the Division's caseload at all.

² These studies are still in draft form. Results from these technical studies have been used by the Division in its current strategic plan.

**Two studies
conducted**

Among the approaches used in the studies were: case managers' logged accounts of their daily activities, estimates of the amount of time required to complete given case management tasks, expert estimates as to the time required to manage cases, and an analysis of unmet service needs forms completed by case/resource managers.

The studies used by the Division to inform its planning process were designed and conducted in a manner consistent with techniques that increase the confidence that the findings accurately portray the Division's operations. Methods of data collection, sampling, and analytic design represent appropriate social-science research standards. Indeed, efforts to cross-validate findings between studies as part of the unmet service needs research are examples of following these standards.

We did not conduct an analysis to verify the agency's needs as concluded in the Division's strategic plan. Rather, we analyzed the process by which they arrived at their conclusions and found it to be thorough. In order to validate the conclusions made in the plan, audit staff would have had to analyze the data collection and assumptions made about that data.

Resource Estimates Can Be Sharpened

To justify its strategic goals, the Division used the findings derived from the case management workload standards and unmet service needs preliminary studies to develop estimates of the number of managers and types of programs necessary to adequately serve the state's entire developmental disabilities population.

We reviewed the methods of study design, sampling, data collection, and statistical analysis. Audit staff found that the estimates of future service and staffing needs should be assessed with care. For example, in the workload study, the estimates are based on wide ranges of underlying variance in the way case managers practice, raising questions as to whether any average or "typical" estimate for some of the activities can be validly estimated. The use of expert estimates raises concerns about the validity of findings that could be distorted by error introduced through inaccurate or biased estimation and calls for care in the

presentation, interpretation, and application of estimates. The potential for error increases as one projects caseload needs farther into the future.

The Division's efforts to measure the actual operations against expert expectations would be more accurate if each estimate was presented with an error term indicating variance by *as much as, above, and below* the average. Done in this manner, forecasts would present high, medium, and low estimates.

Interpretation of the Meaning of Workload Standards

At its simplest, what difference does one FTE staff, more or less, make in the Division's performance? In the absence of a connection between standards measured in outputs of time spent managing a case and outcomes of those efforts, the standards are, at best, guesses of what represents minimally acceptable practice.

Because Washington appears to rank last with the highest case manager-to-client ratios in the nation (175:1), the Division's ratios merit closer analysis.³ Washington's ratio is nearly 70 percent higher than its nearest competitor, and over four times the national average. Such findings conceal as much as they reveal, however. While the relative position of Washington's developmental disability services appears to be worse than other states, what it means to fall above or below a national standard is not clearly articulated in the Division's discussions of the need to reduce caseload ratios.

Assuming that these ratios are comparable from state to state, at what staff/client thresholds are significant differences in quality of outcome achieved? In the absence of clear outcome performance measures, it is impossible to understand the benefits of a lower case manager-client ratio. For example, how is Oregon's system better for having a ratio half that of Washington's? Or, how is Montana's ratio that is one-fourth of

**Inputs need
to be linked
to outputs
and
outcomes**

³ This estimate, derived from a nationwide survey, conducted by the National Association of Developmental Disability Directors for FY96, counts inactive and active cases. If only active cases are considered, Washington State's caseload ratio is 125:1.

Washington's even better? Until these ratios can be defined in terms of the difference in results they achieve, the comparisons are imprecise.

CONCLUSION AND RECOMMENDATIONS

The Division is undertaking a major effort to make decisions based on data, strategic planning, and consultation with relevant stakeholders. This commitment represents a significant and laudable advance. Once begun, however, these management innovations demand some care in their application. All of these new techniques carry with them responsibilities to adjust for distortions and errors in the data and to ensure clarity about the assumptions that drive plans. In deriving estimates of what it will take to close service gaps, the Division should acknowledge that there are high, moderate, and low scenarios and that any scenario considered over a stretch of time yields forecasts of increasingly less accuracy.

Recommendation 1

The Division of Developmental Disabilities should reflect an array of variable possibilities ranging from high to low when projecting needs for case managers to fully manage Division caseloads and for funds to meet unmet service needs of clients.

The bigger challenge for the Division will be to determine and document how various strategies impact the quality of management of developmental disabilities cases as well as performance outcomes. Tracked all the way back to the strategic plan, it is unclear what the Division expects will happen at either macro or micro levels as a result of the efforts it undertakes.

Recommendation 2

The Division of Developmental Disabilities should link estimates of resources needed to performance measures indicating varying levels of service and quality of outcomes anticipated with changes in funding or staffing.

CASE MANAGEMENT

Chapter Four

Audit Questions:

- *How does the Division of Developmental Disabilities assess client needs and options for serving those needs to ensure efficient caseload management?*
- *How does the Division assure quality in providing services to its developmentally disabled clients?*
- *How does the Division coordinate its services with other programs that provide services to developmentally disabled clients?*

Answers: Case managers are responsible for assessing client needs and options, as well as managing their caseload. Based on its studies, the Division contends that it cannot adequately serve its existing clientele with the current number of case managers. Our survey and interviews of field staff and stakeholders support the Division's contention. The studies, however, do not indicate to what extent qualitative changes will occur with incremental reductions in the case manager-to-client ratios.

Quality assurance is a key management function, which has an impact on the health and safety of individuals with developmental disabilities. Although Division officials cite lack of resources and heavy caseloads as the cause for many of the Division's shortcomings, the Division could strengthen its management practices relating to quality assurance.

Coordination efforts between field-level staff of the Division of Developmental Disabilities and other DSHS divisions are largely dependent upon the initiative and success of individual case managers or regional staff. Although central office staff and DSHS management do attempt to coordinate services, they may have little impact on the effectiveness of that coordination at the

case management level. The Division's broader coordination efforts with other state and county entities need improvement as well.

INTRODUCTION

State law (Title 71A RCW) reflects the legislative intent for Washington's programs for serving developmentally disabled individuals. The intent includes "providing aid to persons with developmental disabilities through a uniform, coordinated system of services to enable them to achieve a greater measure of independence and fulfillment."

In order to realize this legislative intent, state law requires the Division of Developmental Disabilities to:

- Develop and coordinate state services;
- Provide every eligible person with habilitative services suited to the person's needs, regardless of age or degree of developmental disability, if funds are available; and
- Encourage research and staff training for state and local personnel working with individuals with developmental disabilities.

Effective and efficient implementation of the above requirements is necessary to protect the health and safety of individuals with developmental disabilities and to maximize the use of public funds. To determine how the Division is implementing these requirements, we focused on three areas to review: (1) the process of providing services and managing cases; (2) the quality assurance process; and (3) the coordination of services with other programs that provide services to developmentally disabled persons. Each of these areas is discussed in the following pages of this chapter.

PROVIDING SERVICES AND MANAGING CASES

The findings reported in this section of the audit draw on data collected and analyzed by the Division as part of its case manager workload and unmet service needs studies. We found that the

methodology of the studies upon which their conclusions are based and the Division's account of how it handles its cases are generally satisfactory.

Case Management Process

Individuals with developmental disabilities are assigned as cases to a case manager in the office of the region where they reside. Residents of Residential Habilitation Centers (state institutions) are managed as cases by habilitation plan administrators (HPA) in each of the institutions. Of the Division's approximately 27,000 cases, about 5 percent are managed in the state institutions.

Case management involves a series of steps initiated by the entrance of a person with a developmental disability into the system. Exhibit 7 displays a flowchart that shows how cases are typically handled once the individual and/or family approaches the Division to determine eligibility. Case managers typically conduct an assessment, develop a plan, work with other Division "resource" managers to link clients with services, monitor the case, and respond to changes in assessment or crises as they arise for the length of the person's eligibility.

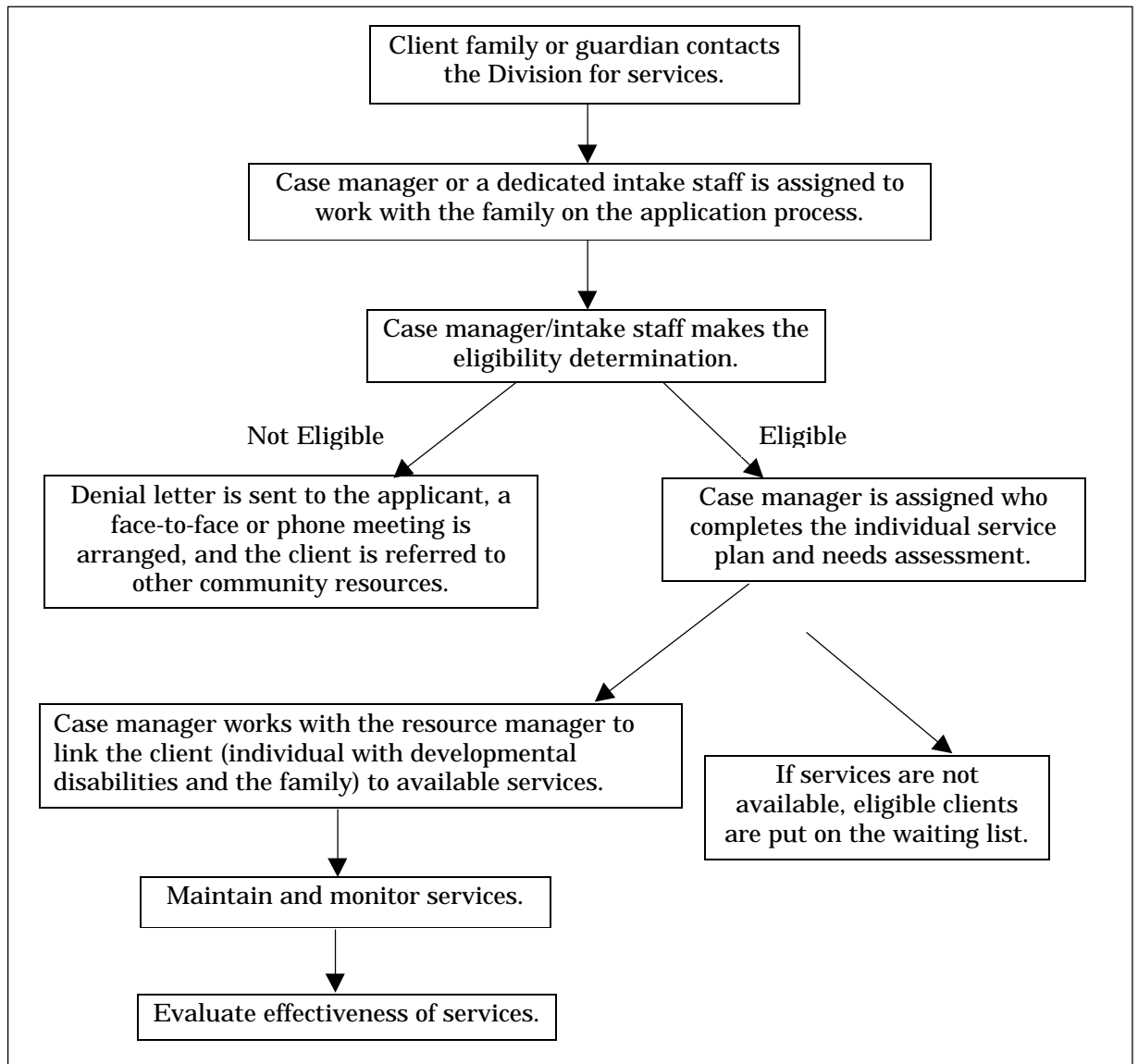
Casework for developmental disabilities differs markedly from other forms of social work because of the unique client characteristics. Developmentally disabled people often come to the attention of the system at an early age. For example, 81 percent of the intake cases in 1997 were 0 to 17 years old. The eligible tenure of these cases is, in the majority of times, a full span of life. Over the last five years, the ratio of new to discharged cases has been three-to-one. Thus, client "entrants" greatly exceed client "exits."

Resource managers, who work with case managers, develop resources (options) for clients and assist in linking and matching clients to services. As discussed in Chapter One, the range of services is quite diverse, depending on the type of living arrangement considered and selected.

The composition of the caseloads and the way in which certain activities are managed vary in terms of the region or office in

which they are managed. Rural areas and some counties contract for services in different ways, necessitating different work patterns especially for resource managers. Criteria for case assignment depend on the region’s geographical location, organization, and client population. Examples of criteria include: first letter of the last name, school district (for children), types of programs and services, and specialty of the case manager and client needs.

**Exhibit 6
Case Management Process**



Source: Based on information obtained from the Division of Developmental Disabilities.

Division Reports Unmet Needs and Case Management Shortfalls

Based upon a review of the reports of unmet needs filed by case managers, supplemented with telephone interviews to follow-up on many of the cases, the Division estimates that 9,000 people¹ will require services that are presently unavailable in the next biennium. Limitations on services stem from three sources:

- Too few case managers to cover an average of 125 active cases they are assigned to manage;
- Too few resource managers to develop community options for clients; and
- Lack of funds to serve those currently in need.

Considerable time spent on crisis cases. On the average, over half of case managers' time is spent monitoring and maintaining existing cases. Slightly more than a third of case managers' time is spent assessing and planning new cases. Review and re-evaluation of existing cases gets the least attention. Crisis cases are becoming a significant factor in case management. A crisis case is one in which there is a major change in the status of the case; for example, changes in living arrangements necessitated by the closing of a home. The Division estimates that case managers are likely to encounter a crisis case once every two weeks.

The Division's workload study revealed the following aspects of case management:

- In 1997, 32 percent of the children and 23 percent of the adults had no contact with their case managers.
- Case managers spend most of their time in face-to-face contact (45 percent) or on the telephone (35 percent) with clients, their families, and providers.
- About one-eighth of case managers' time is spent on paperwork.

How case managers spend their time

¹ This figure is from the Office of Research and Data Analysis' preliminary and yet unreleased study of unmet service needs. This audit did not verify this estimate of 9,000 people with unmet needs.

- Case managers spend nearly half of their time coordinating services between the Division and other programs used by their clients.
- The amount of time spent on cases depends on the type of case. For example, it takes more time to manage cases if a client has a special physical need or behavior problems in addition to their developmental disability.

Conclusion

Based on its studies, the Division contends that it cannot adequately serve its existing clientele with the current number of case managers. The Division's case manager-to-client ratio is much higher than the national average. The studies, however, do not indicate to what extent qualitative changes will occur with incremental reductions in the case manager-to-client ratios. Recommendation 2 in the previous chapter asks the Division of Developmental Disabilities to clarify the quality of case management outcomes associated with proposed levels of staffing as indicated in the Division's strategic plan.

ASSURING QUALITY

The Division acknowledges that quality assurance is vital to ensuring the health and safety of the individuals it serves. However, in its current strategic plan,² the Division notes that it is facing several quality assurance issues that threaten service integrity and, potentially, the personal safety of clients. Based on our interviews of officials in the central and regional offices, reviews of Division documents, and survey analysis of field staff who manage cases, audit staff found that the Division could significantly improve its quality assurance process.

Responsibility for Quality Assurance Rests Primarily on Regions

No one person in the central office is responsible for the Division's overall quality assurance. A number of officials in the central

² Strategies for the Future. Long-Range Plan Report, Phase 1: 1999-2001, Division of Developmental Disabilities, December 1, 1998.

office coordinate pieces of quality assurance activities. They serve as coordinators or liaisons between the central office and the regions. They mainly rely on the regions to bear the responsibility for quality assurance.

Furthermore, the Division does not have a single manual for quality assurance which can serve as a reference for ensuring uniformity and quality in service delivery throughout the state. Some broad policies related to quality assurance are, however, incorporated in the Division's policy manual. Various Division programs also have brochures and handouts that include program guidelines.

Lack of a quality assurance manual

Monitoring Activities

The Division has in place the required program for certification/licensure of its institutions (RHCs) and community-based facilities. This includes the five institutions, group homes, and community intermediate care facilities for the mentally retarded (ICF/MR), and intensive tenant support (ITS). The Aging and Adult Services Administration is responsible for annual surveys of these facilities. That administration serves as the agent of the U.S. Department of Health and Human Services in these surveys. In addition, the Division has a certification process for facility-based (group home) and non-facility-based programs such as intensive tenant support, supportive living, individual alternative living, and state operated living alternatives (SOLA). This is accomplished through contracted evaluators. Because it is not a performance audit, our audit scope did not include assessing the effectiveness of the certification/licensure process.

Division has a certification/licensure process

The Division does not routinely monitor individual providers for some services. Programs such as Family Support, Attendant Care, and Alternative Living, use individual providers. For these, Division staff do not know whether clients receiving services from these providers are satisfied with the services, whether the provider is delivering the requested service, or if the services were performed adequately. Division officials offered lack of funds as the reason for not having the monitoring process for this group of individual providers.

Survey of Case Managers on Quality of Care Issues

To seek input from the Division's field staff who manage cases, we surveyed all 156 case managers and outstation managers in the six regions. We received 91 responses (58 percent). The survey included questions about the Division's formal policies and procedures, supervision and management directives, training, frequency of contact with clients, factors affecting prioritization of caseload, factors affecting needs assessment, and equity in service delivery. Time constraints prevented asking some of the follow-up questions that would have provided additional, useful information.

Six out of every ten surveyed staff find the Division's policies and procedures *useful or more than useful*. The 90 respondents rated the Division's formal policies and procedures as *less than useful* (35 or 39 percent), *useful* (39 or 43 percent), and *more than useful* (16 or 18 percent). We specified usefulness in terms of overall clarity of and access to policies and procedures in managing cases.

Nearly 80 percent of the surveyed staff rated supervision and management directives as *useful or more than useful*. The 91 respondents rated the supervision and management directives they receive as *less than useful* (20 or 22 percent), *useful* (34 or 37 percent), and *more than useful* (37 or 41 percent). We specified the usefulness as clarity of and access to management directives and supervision they receive in managing their cases.

Staff training not always useful

All surveyed staff reported that the training they receive does not fully meet their needs. Of the 91 respondents, 73 (80 percent) rated the training from *not meeting* to *partially meeting* their needs in efficiently and effectively managing cases. The remaining 18 (20 percent) respondents rated the training as 4 on a scale of 1 (*not meeting the needs*) to 5 (*fully meeting the needs*).

About half of the surveyed staff said that the frequency of their contacts with clients/families is adequate or more than adequate. The 90 respondents rated the frequency of their contact with clients and/or their families as *less than adequate* (41

or 46 percent), *adequate* (27 or 30 percent), *more than adequate* (22 or 24 percent).

On a related question about the frequency of the contact (either personal or through phone) with clients and/or their families, of the 74 respondents:

- 39 (53 percent) estimated that they have at least once-a-year contact with 85–100 percent of their clients/families;
- 16 (22 percent) estimated that they have at least once-a-year contact with 75–83 percent of their clients/families;
- 13 (17 percent) estimated that they have at least once-a-year contact with 50–70 percent of their clients/families; and
- 6 (8 percent) estimated that they have at least once-a-year contact with less than 50 percent of their clients/families.

Responding to crisis or emergency situations is a common occurrence for staff who manage cases. We asked the staff to tell us the most significant factors that affect the way they make decisions about managing their caseloads. In addition to responding to crisis or emergency situations, other frequently reported significant factors include:

- Availability of resources and services
- Time constraints and deadlines
- Caseload size
- Client needs and requests
- Policies, procedures, and program requirements

More than half of the surveyed staff said that client needs are assessed based on the availability of resources. Of the 88 respondents, 47 (53 percent) said that the availability of resources and services in the region affects the way they assess client needs for services. Some respondents indicated they may not always assess the need for services they know are not available. Some also said that they do not have sufficient time to conduct detailed/formal needs assessments of their clients.

Factors affecting case management

Comments provided by respondents also indicate that the extent to which clients receive services may depend on the case managers' familiarity with available resources. The survey responses suggest the practice of a somewhat inconsistent needs assessment process, which varies among the regions and case managers.

A large majority of the surveyed staff reported that clients with similar needs might not have an equal chance of receiving similar services. Of the 90 respondents, 63 (70 percent) have this impression about the Division's service delivery. Among the reasons mentioned by the respondents, following are the most common:

- Clients with assertive families or advocates are more likely to get services.
- The case managers' interpretation of policies, knowledge of resources and services, and high caseloads affect the way services are delivered to clients.
- Individuals who are already receiving services continue to get more.
- The lack of available resources and services in a region affects the way services are provided.

Conclusion and Recommendation

The Division's system for quality assurance could be improved. Quality assurance is a key management function, which has an impact on the health and safety of individuals with developmental disabilities. Although Division officials cite lack of resources and heavy caseloads as the cause for many of the Division's shortcomings, the Division could improve its management practices relating to quality assurance.

Recommendation 3

The Division of Developmental Disabilities should strengthen its quality assurance process by developing a quality assurance manual and designating key staff to be responsible and accountable for the overall process.

COORDINATION OF SERVICES

The legislative mandate for this study requires JLARC to assess the impact of “overlapping statutory or administrative code responsibility with other (DSHS) divisions and other state agencies.” To comply with this mandate, we reviewed the statutory authority of the Division of Developmental Disabilities and of other primary service providers to the state’s clients with developmental disabilities.

We also conducted site interviews with case managers at each regional office of the Division of Developmental Disabilities³ and interviewed officials from four other DSHS divisions: Division of Vocational Rehabilitation (DVR), Children's Administration (CA), Division of Mental Health (MH), and Aging and Adult Services Administration (AASA). We focused on Developmental Disabilities Division coordination efforts with these four specific divisions because of the large number of clients who receive service from them,⁴ and because a high degree of individual caseworker discretion is used in determining eligibility for those services. Our interviews focused on the following issues:

- Nature of the relationship among the divisions
- Current process of coordinating services
- Efforts undertaken to improve coordination

Below is a brief description of the primary DSHS divisions and other state and local entities that serve the state’s population with developmental disabilities.

Division of Developmental Disabilities (DDD): As discussed in detail in Chapter One, this is a DSHS division that is the primary provider of services to developmentally disabled people in Washington State. It administers the federally-defined Early

³ Audit staff interviewed 2-3 case managers at each regional office. These interviews were separate from the survey used in an earlier section of this chapter.

⁴ According to a 1995 trend report completed by the DSHS Office of Research and Data Analysis (ORDA), 75 percent of the DDD caseload receives services from other DSHS divisions.

Coordination
within DSHS
focused on 4
other
divisions

Intervention Program, which serves children from birth to three years of age. The division also provides employment, residential, and other supportive programs to developmentally disabled people of all ages.

Division of Vocational Rehabilitation (DVR): A DSHS division that assists developmentally disabled people in their transition from the school environment to a work and/or community setting. The primary goal of Vocational Rehabilitation is to provide initial training and support to developmentally disabled clients. Once a client has been successfully placed in a job or other activity, DDD assumes the cost and responsibility of ongoing support to the client.

**Some
children's
cases
recently
transferred
to the
Division**

Children's Administration (CA): A DSHS division that is the primary agency for placing developmentally disabled children into foster homes, conducting investigations of alleged abuse and/or neglect (Child Protective Services), and providing adoption services. Until this year, Children's Administration managed the caseloads of all children in foster homes, including developmentally disabled children. In a joint agreement between Children's Administration and DDD, and with the consent of the legislature, the case management of the developmentally disabled children in foster homes was recently transferred from Children's Administration to DDD.

Division of Mental Health (MH): A DSHS division that may serve developmentally disabled clients requiring mental health treatment on a temporary or permanent basis. One service Mental Health provides to developmentally disabled clients is temporary residence in Eastern State or Western State Hospitals. Non-residential services are also provided to people with disabilities through local mental health centers or Regional Service Networks (RSNs).

Aging and Adult Services Administration (AASA): The primary agency that provides services to the aging population, which includes individuals with developmental disabilities. Some of Aging and Adult services accessed by developmentally disabled clients include Adult Protective Services, nursing home facilities,

Chore services,⁵ and COPES.⁶ AASA also licenses and regulates Adult Family Homes and boarding homes, some of which house developmentally disabled clients.

Office of the Superintendent of Public Instruction (OSPI): The public school system in Washington State is mandated to serve children from three years old until they graduate (or meet graduation requirements), which can be when the student is between 18 and 21 years old.

State Interagency Coordinating Council (SICC): The governor appointed advisory council required by the federal Individuals with Disabilities Education Act (IDEA). The SICC is charged to advise and assist DSHS and the Office of Superintendent of Public Instruction; the Department of Health; the Department of Community, Trade, and Economic Development; and the Department of Services for the Blind on the implementation of the early intervention system, financial matters, and state services.

Washington State Developmental Disabilities Council: Established by executive order in 1976, the council is required under the federal Developmental Disabilities Assistance and Bill of Rights Act. The role of the council is to plan, advocate, and conduct special projects for the state's entire developmentally disabled population (which includes developmentally disabled persons who are not eligible for DDD services). One recent initiative of the council was to facilitate the use of housing trust fund dollars to provide homes for the developmentally disabled.

County Programs for Developmental Disabilities: The state contracts with county programs to coordinate child development services for developmentally disabled children and employment and day programs for developmentally disabled adults. A large part of the services delivered at the county level are, in turn,

State council serves a larger population

⁵ Chore services are a state-funded program that provides in-home personal care services to non-Medicaid eligible persons with disabilities living in their own homes.

⁶ COPES is a program to assist individuals in delaying or preventing placement in a nursing home by providing comprehensive support services in a less restrictive setting.

provided by independent contractors. Although the state funds many of these programs, many counties also contribute additional local dollars to their programs. County-contracted providers play a role in transitioning clients from early intervention programs into the public school system, and then from the public school system to permanent employment and day programming.⁷

Coordination Is Important

Although the mandate specific to this piece of the management audit charged us to evaluate the “overlapping of . . . responsibility,” it soon became evident that the more pertinent issue was coordination of services. That is, services provided by each division are unique, and there is little risk of a client being provided duplicative services from more than one program. The more likely scenario is that various programs must work together to “fill in the gaps” left by the limited services provided by each individual program.

Interviews did not reveal any consistent issues. Although the interviews audit staff conducted at the various headquarter and regional offices did identify some general concerns about coordination efforts, there was no consistent characterization of the relationships between DDD and any one of the other divisions. Each case manager and each division director expressed concerns about how services were coordinated, but their concerns varied by region and by division.

Case managers are not aware of formal procedures

Coordinated Case Management Within DSHS Is Dependent Upon Individual Relationships

Based on the interviews conducted by audit staff, effective coordination at the field level is largely dependent upon the individual relationships established by case managers from the various divisions of DSHS. None of the case managers interviewed were aware of any formal procedures for coordination or of any specific protocols in interagency agreements addressing

⁷ As mentioned above, Vocational Rehabilitation is responsible for assisting developmentally disabled clients in making the transition from school to work; but once a placement is established, the county program assumes funding responsibilities for developmentally disabled clients.

coordination of services for individuals on their caseloads.⁸ The consistent response about coordination efforts from the case managers was,

I don't know if DDD has a formal policy about how to coordinate with (a particular) program, but I have (or have not) had success due to my personal relationship with individual case managers (from other program areas).

Central office does make efforts to coordinate. There are interagency agreements in place with Children's Administration and Mental Health, and one with the Aging and Adult Services Administration is being drafted. In addition, DDD provided audit staff with an extensive list of coordination efforts, both internal and external to DSHS, which include the following:

- Developing interagency agreements;
- Staffing of the State Interagency Coordination Council (SICC) within the Infant Toddler Early Intervention Program;
- Meeting with Children's Administration staff to coordinate foster care activities;
- Participating in the Children's Mental Health Committee; and
- Attending quarterly meetings of the Health and Rehabilitation Management Team.

However, case managers imply that the formal responsibilities and processes these efforts establish are not always helpful at the field services level. As one field services manager stated, interagency agreements "look beautiful on paper," but actual coordination is much more difficult. Developmentally disabled clients who are in need of services from multiple divisions depend upon having a case manager who relates well with the client's case managers from other service providers.

⁸ Some regions do hold routine "staffings" with case managers and supervisors from other divisions; but again, this varies by region and by program. These are largely dependent upon the initiative of individual regional managers, field services managers, or case managers.

Best practices are occurring at the regional levels

Division has some internal best practices worth sharing. A variety of processes and efforts are employed to coordinate between DDD and these other DSHS divisions. Although audit staff learned of some of the shortfalls associated with current coordination efforts, case managers also highlighted some positive trends toward improving coordinated services. Examples of more coordinated efforts include:

- Establishing DDD regional “liaison staff” with other, specific DSHS agencies, such as Mental Health, Aging and Adult Services, and Children's Administration;
- Participating in Adult Protective Services (APS) investigations involving developmentally disabled clients, through active communication with investigators and by receiving routine updates on the case;
- Facilitating a “forum” type of information-sharing workshop between DDD and another division, to understand services, eligibility processes, and coordination strategies;
- Initiating a regional effort to establish local protocols between two divisions, such as Aging and Adult Services and DDD;
- Creating a “client registry,” a computer system which identifies clients receiving services from selected other DSHS divisions by their name, date of birth, and social security number.

Individuals interviewed by audit staff indicated that most of these efforts were initiated either by individual case managers or by regional management. It is impressive to see such innovation occurring at the local levels, but audit staff did not find any evidence that there was a forum for sharing strategies such as these between offices in order to improve coordination.

Examples of poor coordination. Using examples of scenarios involving coordination of services that were reported to audit staff, we can demonstrate the impact that some of the more ineffective methods of coordination could have on clients:

- Mental Health and DDD negotiate, on a case-by-case basis, whether a client's needs stem from developmental

disabilities or mental health disabilities (and hence, which division should pay for services); meanwhile, the client may not receive necessary services.

- Children's Administration does not update DDD case workers on protective services cases until they are final, and the DDD case worker has minimal time to find or change a foster home placement for the developmentally disabled child; the child's living situation may become vulnerable.
- Newly-hired DDD case managers are not aware of services offered by other divisions; their clients are not given the opportunity to receive additional services.
- Similarly, Aging and Adult Services Administration investigates charges against a developmentally disabled resident in an Adult Family Home. If the resident's caseworker is not involved, the developmentally disabled resident's behavior could be inappropriately judged.
- Aging and Adult Services Administration denies residential placement in an Adult Family Home to a developmentally disabled client because DDD is her primary provider. The client then has to compete for an Adult Family Home bed through DDD, where there are fewer resources and a higher demand.

Again, these are *examples* of reported circumstances that may occur under the current coordination of services. We were told that whether these types of circumstances occur depends upon the tenacity and interpersonal skills of the individual case managers.

DSHS plays a role in coordinated services. The role of DSHS is to facilitate coordination and to limit any potential overlap in services. According to RCW 43.20A.010, DSHS was established to "integrate and coordinate all those activities . . . for individuals who . . . require . . . social and health services." Given that mandate, and the findings from this audit, it is evident that both DDD and DSHS play a role in improving service coordination. Better coordination efforts could include:

- Tighter, more current and relevant interagency agreements

**Ineffective
coordination
does affect
services**

**DSHS
mandated to
facilitate
coordination of
social services**

- Cross-training between divisions
- Formal liaison relationships
- Improved information sharing on common clients
- Team case management

In order for these options to be effective, DDD and the entire DSHS must both place a priority on coordination.

Relationships with Other Service Providers

Although this audit did not analyze the relationship the Division has with every program that is providing services to the developmentally disabled, the three programs outside of DSHS that we did study raised concerns about the coordination of developmental disabilities services.

Federal evaluation due January 1999

DDD-OSPI relationship is part of a federal study. As a provider of services under Parts B and C of the Individuals with Disabilities Education Act (IDEA),⁹ the state of Washington is subject to routine reviews by the Department of Education. During the summer and fall of 1998, two teams of evaluators were in Washington to evaluate OSPI and DSHS in their respective roles providing early intervention services to children and youth under 21. Their report will be issued in January 1999. After the release of the report, the monitoring team will return to Washington to provide DSHS, DDD, and OSPI with technical assistance to improve the state's early intervention and special education services.

Washington State Developmental Disabilities Council. Pursuant to the Developmentally Disabled Assistance and Bill of Rights Act of 1975, the Governor established an independent agency to serve as the statewide protector and advocate for Washington residents with developmental disabilities. Although the Washington State Developmentally Disabilities Council is independent from DDD and DSHS, it does play a central role in

⁹ Part B services apply to early intervention services offered through Office of Superintendent of Public Instruction; Part C services are those offered by providers contracting with DDD's Infant and Toddler Early Intervention Program.

identifying and educating public officials and their constituents about developmental disabilities issues. For example, the council was most recently involved in facilitating the use of money from the Housing Trust Fund to build housing for individuals with developmental disabilities.

According to a council official, interactions between the council and the Division are limited. The council provides input to the Division about relevant developmental disabilities issues, but is interested in more involvement. As stated by the council official, it would be to the Division's advantage to cooperate and collaborate with the council because it has a broader perspective and can bring resources to investigate issues and projects.

Counties' role. By law, each county in Washington is charged with coordinating "all local services for persons with developmental disabilities and their families to ensure the maximum utilization of all available services."¹⁰ In regard to state-managed developmental disabilities services, however, the primary role of the counties is to provide employment and day programs to adult developmentally disabled clients according to a contract with the state. Most counties also contract for state funds to provide early intervention programs. In addition to state and federal funding for employment and day programs and child development programs, several counties also contribute county funds to local developmental disabilities services.

The tension in this relationship centers on the perceived role the counties play in relation to the state. County coordinators we spoke to around the state reported that not only has the level of influence counties have in the state developmental disabilities programs fluctuated over the years, but it is currently at one of its less-influential points. The current relationship is characterized as one of "contractor/payee," rather than equal partners. Coordinators claimed this affects the degree to which county services are integrated into the overall service package provided to a client with developmental disabilities and lessens

¹⁰ This is found in RCW 71A.14.050 (3). It is important to note that this is similar to the Division's mandate to provide a "uniform, coordinated system of services" to persons with developmental disabilities, as noted under the "Audit Criteria" section of this chapter.

**Counties
charged with
similar task as
the Division . . .**

**. . . but actual
role is more
limited**

the ability of the counties to provide the most appropriate (and timely) services.

We also found the county-state relationship for developmental disabilities is again dependent upon individual relationships. County coordinators, central office staff, and regional managers alike commented that the success or failure of coordination efforts between a county and the state depend upon the individual county coordinator and his/her relationship with individual DDD staff.

Conclusion and Recommendation

The Division of Developmental Disabilities attempts to coordinate its services with those provided by other DSHS divisions. However, attempts at the central office level are not always effective in facilitating the process at the individual case level. Coordination is largely dependent upon cordial relationships between individual case managers, and consequently, varies in levels of success. In the absence of effective personal relationships, services are not provided to clients as timely or as effectively as might be expected.

While this audit finds that the Division could improve its efforts to coordinate services between divisions at the case management level, audit staff realize that it is part of a larger challenge within DSHS. Coordinated services must be a priority within the management structure of DSHS for any one division to be able to further coordinate its services with others. This also applies to the external coordination that should occur. DDD can take steps to improve its coordination with non-DSHS entities, but DSHS management must also see that as a priority.

Recommendation 4

The Division of Developmental Disabilities and the Department of Social and Health Services (DSHS) should increase efforts of coordination between divisions and among other entities outside of DSHS to improve coordination at the case management level. This can be done by sharing current best practices and by considering systemic changes for more coordinated service delivery.

COMMUNICATION WITH STAKEHOLDERS

Chapter Five

Audit Question: *Does the Division communicate effectively with clients, stakeholders, and the legislature?*

Answer: Communication with legislators, legislative staff, and program stakeholders has improved over time, but the Division is still challenged with effectively communicating how they plan to meet the needs and demands of several, often opposing, interests.

INTRODUCTION

During the pre-audit survey, legislators and legislative staff expressed concern that the Division of Developmental Disabilities was misrepresenting its program needs to its constituents and to the legislature. The most commonly cited example of this was the Division's supplemental budget request in January 1998. Legislators were faced with stakeholders contending that, unless legislators funded the Division's supplemental request, many clients with developmental disabilities would lose needed services. Legislators we spoke with expressed just as much surprise as many stakeholders that the Division reported such substantial, emergent budget needs. The supplemental budget request was funded.

Consultant Focused on Three Questions

An independent consultant, hired by JLARC, completed this final piece of the management audit of the Division.¹ The consultant

¹ Mimi Sheridan, of the Sheridan Consulting Group, completed this portion of the management audit.

Legislators
concerned
about Division's
communication

Stakeholders Work Group used as forum to review communication

used the existing Stakeholders Work Group (SWG) as a forum to explore how the Division interacts with its constituents and to what extent it provides them with information. She held individual interviews with 13 of the 19-member group. This audit does not assess the extent to which the group encompasses all opinions of the Division's stakeholders. Audit staff relied on the "representative" nature of the group.

During interviews with individual members of the Stakeholders Work Group, the interviewer raised three specific questions:

- Does the Division answer citizen inquiries in a timely and accurate manner?
- Does the Division adequately inform stakeholders about its policies, operations, programs, budgets, and legislative intentions?
- Does the Division provide stakeholders with a clear understanding of the options and choices available for clients and their families?

DIVISION'S COMMUNICATION WITH LEGISLATORS

1998 supplemental budget request initiated concern

During the course of the audit team's pre-audit survey, legislators and legislative staff expressed concern that the Division was misrepresenting its program needs to its constituents and to the legislature. The most commonly cited example of this was the Division's supplemental budget request in January 1998.

Some legislators and their staff reported the Division had not been forthcoming about its needs in the past and that the Division had constructed a request that left little room for negotiation. There were concerns among some legislators that the Division had "cynically manipulated" stakeholders by threatening to eliminate important services unless the Division's supplemental budget request was fully met.

The new Division director, having found that the magnitude of need was far greater than that which had been presented to the legislature in its biennial budget request the year before, made a

factual case to legislators and staff as to the difficult financial straits his programs faced. Armed with data and charts, the director presented the Division's needs. In doing so, he may not have sufficiently emphasized that existing shortfalls were largely a result of the internal DSHS and executive budget process; instead his presentations may have left some with the impression that the legislature had failed to adequately address the state's developmental disabilities needs.

From most accounts, legislators who had been key in passing the Division's biennial appropriation the session before felt that they had adequately supported the Division based on the request they were given and the justification they heard. The legislators reported their surprise at hearing that funds appropriated for the biennium were insufficient.

**Legislators
were
surprised by
request**

Legislature Also Concerned About Role of Stakeholders

The role of an active and organized set of stakeholders also raises some legislative concerns. It is important that the Division not mobilize, or give the impression of mobilizing, representatives of stakeholder groups to carry the Division's agenda or requests to the legislature. With the inception of a formal, legislatively mandated Stakeholders Work Group, the line between the Division's agenda and organized stakeholders is even less clear.

In its future dealings with the legislature the Division needs to take care that it does not use its stakeholders to advance its position, "rousing the troops," as one respondent put it. Independent action on the part of stakeholders is expected and welcomed in the legislative process. However, any indication in which stakeholders have been directed by the Division or threatened by the Division's proposed reduction or elimination of services into advocating for its programs or budgets is less favorably received.

Division Approach Becoming More Data-Oriented

Legislators and their staff did agree that recent changes in management at the Division have led to a more "data-oriented" approach to presenting the Division's positions and requests.

Most indicated that concerns of evasiveness were more common in past interactions with the Division.

DIVISION'S COMMUNICATIONS WITH STAKEHOLDERS ARE GENERALLY EFFECTIVE

Based on the interviews described here, the Division's communications appear to be generally effective. While certain areas definitely need improvement, as discussed below, respondents typically feel that the Division does a good job in communicating with its variety of stakeholders. Several key points identified are:

Summary of key findings

- Respondents, in general, do not think that the Division is purposely withholding information or ignoring legislative intent.
- Most indicated that the Division responds to their inquiries in a timely and accurate manner.
- The stakeholders said that generally they are well-informed about policies, operations, programs, budgets, and legislative intentions.
- A few respondents said that a philosophical bias against certain types of services guides some staff members in discussing options. However, most respondents report that they see the lack of available services and the minimal time spent with clients as the most important factors limiting discussions of options.
- People noted that the situation today is very different from the past, when many reported having difficulty getting information.
- Participants we spoke with are enthusiastic about the Stakeholders Work Group process, calling it a very difficult one, "a hard pull," but important because it is the only forum where the factions talk to each other. They feel that great progress has been made.
- People also spoke of the success of their interaction with the legislature last session and emphasized the need to

increase collaboration among all the groups and take a strong united force to this year's legislative session.

Communication Has Been Improving

Respondents were generally positive about communications with the Division. Several people said that it had been very difficult ("a smokescreen" causing "massive problems") in the past, but they agreed that the situation is more open now.

Several people (including the Division director) mentioned the importance of reaching out more effectively to the legislature and the general public with a clear, effective story about developmentally disabled people and their needs. As one person said, they must "document the story more understandably, show the accomplishments and get it out to the media." One respondent stated that if the constituencies can agree on this basic picture of the needs of individuals with developmental disabilities and their families, then the priorities and necessary actions will become clearer.

The interviews showed that advocacy groups are a crucial part of the system, given the perceived inability of the Division to respond completely to each client's needs. Some advocates feel that greater synergy could be created if the Division worked more closely with them on a day-to-day basis in each region. Some regional administrators and case managers take advantage of opportunities for cooperation, and also believe such opportunities could be improved and increased.

Service and Program Options Are Presented, Yet in a Limited Manner

There was broad agreement that the Division does not fully explain the service options possible: "They tell people what's available." "They don't want to encourage unrealistic expectations." Most respondents suggest that the primary reason for this is the lack of funding for services. They report that case managers are reluctant to discuss programs that a person may be eligible for, but for which there is no actual opening or no real possibility of receiving.

Programs offered based on what is available

Case managers are seen as generally looking for an available slot that comes closest to meeting a client's needs, even though it may not be the best placement. Several people noted that this situation leads to discouraged case managers who cannot help people they want to serve.

Under the circumstances, most respondents see this as a fairly reasonable approach to the problem. One advocate said, "They shouldn't say that they will help when they're too overcrowded to do it." Another indicated, however, that parents should be given a broader picture, "the full range of what could be available if the money were there," so that they can understand the whole system better and perhaps look toward the future.

Another said, "Case managers are very reluctant to assist families with decisions (about choosing services). They are not well trained and they fear that they will be criticized for steering them." Two suggested that the Division has "a rationing mentality," but should begin to see itself as "more of an educator, rather than a gatekeeper, so that parents and clients can make choices."

Several people believe that some staff members do not offer certain types of programs because of a philosophical opposition to such programs. People said that families "don't really know what to ask for—it's too confusing" and they "have no idea of what's available," especially in terms of institutions. Another stated that staff philosophy can sometimes "get in the way of what's practical." An advocate stated that "choice needs to mean choice, not denying opportunity or access. It should be more market-driven." Division officials said that they are aware of these issues and are planning to address them in the second phase of the long-term strategic planning process, as discussed in Chapter Three of this report.

Budget Information Available, But Difficult to Get

Respondents report that in their roles as Stakeholders Work Group members and in their individual professional roles, they are kept well informed about budget and policy issues. The Division is seen as generally straightforward and accessible now, in contrast to the situation in earlier years.

Advocates said, however, that it could be difficult for an average parent to get this type of information. Case managers are often hard to reach and cannot necessarily be expected to be knowledgeable about division-wide matters. However, respondents pointed out that one of the major tasks that advocacy groups are contracted to do is to obtain this information from the Division, put in it more clear terms if necessary, and make it available to parents. Advocates indicated that they get the information they need from the Division to accomplish this task.

**Advocate's
role is to
disseminate
information**

Program Information Is Available But Complex

The individuals interviewed said that they themselves get good information on programs and operational matters. Advocates said that they generally get the information they need to pass on to others. However, the system is very complex with a large variety of programs. Explaining it will always be a difficult task, especially due to the widely varying degrees of knowledge among community members and the often stressful circumstances of each case.

Communication about program and operational matters may depend primarily on the individual case manager. As one person said, "the most persistent families are most likely to get services." Advocates report that the case manager's role is primarily to do intake and evaluation, develop service plans, and authorize services. Once a person is established in services, the case manager typically does not have time to track the person and can be difficult to reach. Advocacy groups help to fill these gaps, aiding people in getting into services and in working more effectively with case managers.

**Quality of
information
is dependent
upon case
manager**

Regional Offices Vary in Communication Efforts

Those who work with regional offices on day-to-day matters feel that they are generally cooperative and helpful. For instance, one advocate was able to get funds to provide childcare for support group meetings. Again, the perception among those interviewed is that differences occur due to individual staff people—some regional administrators are more responsive and open to input than others.

Three respondents noted differences among regions: “Regional administrators control the interpretation of rules and policies, with great variations across the state in rates, referrals and rules.” Quality assurance policies also vary, meaning that there are no clear statewide standards for quality of care or facilities.

One parent noted that funds are not easily transferable when a client moves from one county to another. A client may still be eligible for services, but money will not necessarily be available to him or her in the new home.

County Role Also Discussed In Interviews

The relationships between the Division of Developmental Disabilities and counties also depend greatly on the individual regional administrator. Some are more willing to work as partners with the counties than are others. Cooperation between the two is important because counties are responsible for day programs, employment services, and child development services, while the case managers and residential and personal care providers are provided by the state. The Association of County Coordinators communicates regularly with the liaison at the central office and with the Division director. One person noted that a stronger directive from the central office to encourage greater partnership between regional offices and counties could improve day-to-day communication.

CONCLUSION

The consultant and audit staff found that communications with legislators, legislative staff, and developmental disabilities constituents are generally effective and that the Division does not intentionally try to mislead clients and decision-makers. Stakeholders report that communications with the Division have improved over time and that the Stakeholders Work Group has played a significant role in that improvement. It is also important to note that the findings about coordination of services and quality assurance identified in this section support similar findings in Chapter Four.

Successful
county
relationships
depend on
individuals

APPENDIX 1

QUESTIONNAIRE FOR SURVEY OF CASE MANAGERS

5. In fiscal year 1998 (July 1997 through June 1998), what percent of your clients (or their families/guardians) do you estimate that you contacted through phone or personal visit?

_____ At least once a week

_____ At least once a year

_____ At least once a month

_____ Less frequently than once a year

_____ At least once every 6 months

_____ Have never contacted them

Note: Please make sure that the sum of the above percentages add to 100.

_____ Not applicable, if you assumed responsibilities for managing cases after June 1998.

6. What factors are most significant in making your decisions about the way you manage your caseload?

7. Does the availability of resources and services in the region affect the way you assess client needs for DDD services?

_____ Yes (Please explain.)

_____ No

8. Do clients with similar needs have an equal chance to receive similar services from DDD in your region?

_____ Yes

_____ No (List the most significant factors that contribute to this inequity.)

AGENCY RESPONSES

Appendix 2

- Department of Social and Health Services
- Office of Financial Management

To link to this appendix, click [here](#).