



Wyoming Legislative Service Office

EXECUTIVE SUMMARY

Developmental Disabilities Division: Adult Waiver Program

Program Evaluation Division

January 2004

Purpose

The Developmental Disabilities Division (the Division) in the Department of Health provides services to developmentally disabled Wyoming citizens. The Legislature's Management Audit Committee requested an analysis of program operations and outcomes, considering the following questions:

- How is eligibility determined for Home and Community Based programs, and have there been changes in the eligibility criteria?
- Does the Division regularly review and update its rules, and are the rules consistent with current practices?
- How does the Division ensure that cost-effective services are delivered?
- What is the Division's process for overseeing the purchase and delivery of client services?

This study focuses on the Adult Waiver, as it accounts for more than half of the Division's \$104 million expenditures in FY '03.

Background

Wyoming citizens with developmental disabilities receive services through seven Division programs: Respite Care, Early Intervention, the Wyoming State Training School (WSTS), Targeted Case Management, and three Medicaid waivers: Adult, Children, and Acquired Brain Injury. Medicaid waiver programs are funded by federal and state dollars and administered by the Division. The waivers allow disabled people to live in

community settings and to benefit from Medicaid funding otherwise available only to those living in institutions.

Since 2001, state-funded services for developmentally disabled adults with disabilities such as mental retardation, epilepsy, autism, deafness, and cerebral palsy have been provided solely through the Adult Waiver. In FY '03, the waiver served 1,008 clients ranging in age from 21 to 83, at an average cost of \$57,032 per person. According to Division data, FY '03 expenditures for the waiver were \$57.5 million, with the General Fund contributing 38 percent of the total.

Results in Brief

The Weston Consent Decree, the U.S. Supreme Court's Olmstead decision, and client choice have impelled Wyoming to serve developmentally disabled adults primarily through home and community services. We found that the Division could be more accountable and cost-effective in operating the Adult Waiver. The Division does not promulgate rules specifying key program procedures and policies. Further, in calculating client budgets it uses assumptions that inflate individual costs, and it lacks procedures to monitor and justify the cost for the waiver's most expensive services.

Principal Findings

In 2001, the Division changed both its eligibility standards and the way it assesses persons applying for the Adult Waiver. These changes broadened the range of people who qualify, and facilitated the movement of clients onto the Adult Waiver

from the State Contract program, which was eliminated. Using only the Medicaid HCBS waiver to serve developmentally disabled adults enables the state to capture federal matching funds. It also gives clients access to all waiver services to meet their needs, which can increase costs. People who are eligible for the Adult Waiver are by definition "at-risk for institutionalization" at the WSTS, and therefore subject to the federal Olmstead decision. Under this ruling, states have legal obligations to serve people in their communities rather than in institutions, if services can be reasonably accommodated. The Division should investigate alternative programs to support different disabled populations and seek broad input into this policy-making process.

Statutes and rules guiding the Developmental Disabilities Division do not specify how the Division will employ the Adult Waiver as the state's sole means of providing services to developmentally disabled adults. Further, the Division has made major policy decisions related to the Adult Waiver, such as changing eligibility criteria, without formal public input or announcement. It lacks rules that establish critical decision-making procedures, including the priority in which people move off the waiting list into waiver services. Instead of rules, the Division relies on manuals and other provisional documents to convey its procedures and practices. We recommend that the Division promulgate formal rules, not provisional manuals, to establish important program rights, definitions, and procedures.

Federal and state policies require HCBS waiver programs to be cost effective. The Division relies primarily on a funding model, DOORS (not an acronym), to meet this requirement. The model is designed to allocate money according to participants' needs, within an established budget. However, information used to develop the model has not been externally validated, and we believe some Division decisions and practices interfere with the model's effectiveness in fairly and equitably allocating funds. We recommend the

Department of Health contract for an independent analysis of the effect the DOORS model has on client service choices and program costs.

According to Division officials, funding for emergency cases and unanticipated IBA increases comes from unspent portions of all clients' IBAs. However, we could not clarify how the Division accounts for this funding. We believe proper management of these funds calls for standard procedures and clear accountability. The Division should establish a system to account for funds used for these purposes.

Although the Division cites both internal and external means of oversight for its adult waiver program, we believe fiscal oversight of state expenditures under the Adult Waiver needs to improve. The Division has in place a system of oversights that likely ensures clients receive acceptable care. However, this system does not fully protect the state's interest in making certain that the appropriate amounts of public funds are expended on necessary services. We recommend that the Division require more justification of rates for major services.

Agency Comments

The Department of Health agrees with the report's recommendations that it seek broader input into policy making, obtain an independent analysis of the DOORS model, improve accountability for emergency and forced rate funding, and require more justification of rates for major services. The Department partially agrees that it should promulgate formal rules, not provisional manuals, to establish important program rights, definitions, and procedures. The Department's response lists action steps intended to implement the recommendations, as well as specific completion dates.

Copies of the full report are available from the Wyoming Legislative Service Office. If you would like to receive the full report, please fill out the enclosed response card or phone 307-777-7881. The report is also available on the Wyoming Legislature's website at legisweb.state.wy.us