

OVERVIEW:

Our purpose is to keep SWVTC open in some capacity as a viable option for those who currently live there, need to receive the intense services provided there, and wish to stay there. The environment of our center provides safety, security, and an on-site full-time doctor, nurses, dentists, and other professionals. Just as important, our center provides dental services to the ID/DD population in our area. Medicaid does not provide coverage for dental needs and that expense normally has to be paid for by the person who needs the service. Our psychologists and neurologist can provide consultation for certain individuals in the community just as they do for the residents. SWVTC provides security and emergency response personnel which are areas that are lacking even in the community ICFs. Neither Mt. Rogers CSB nor Sponsored Residential providers nor private companies can deliver these services.

Our center delivers emergency services for those individuals who need temporary housing due to a provider who is no longer able or willing to give that service or when medical and/or behavioral issues go beyond what the community can offer. SWVTC is a safe haven for those individuals in the community as well as those in the center. The need for these centralized and readily available services in rural and isolated Southwestern Virginia is evident, to those who are familiar with this area's isolation and to those living in the community as a whole, especially to the medical profession.

Virginia's experience with the fifty-seven (57) high-needs individuals that in 2012 were moved from a training center into a community placement shows that their continued quality care annual cost to be \$140,611.¹ The cost of caring for a SWVTC resident is \$141,476²; showing that there is no noticeable difference in the cost of care for a *high-needs* person whether that person lives in a community placement or in SWVTC. We can and should continue to have a dual system of care: community for those who choose it; and SWVTC for those who choose and need it.

It appears that the quality of life and well-being for those who cannot speak for their own needs is either being ignored or not addressed. It's sad that the Commonwealth of Virginia seems to have the private sector's corporate bottom-line as a first priority and our residents needs last. As Peter Kinzler said during the August SB627 meeting, "With a little less funding, Virginia could slide right down from 47 in the nation to the number 50 slot on caring for our ID/DD citizens".

What is a parent or relative of a resident to do about their concerns for those who need 24 hour, awake staff to care for their loved one? What is DBHDS' plan for building other community ICFs in this Southwestern Virginia region and where? No community ICFs are even in the planning stages at this time. Will the fragile ones be sent to another area where parents won't be able to see their loved ones or be able to visit only on a very limited basis? The problems presented by our rugged, mountainous

¹ The average cost of the 57 "intense needs" individuals discharged into the community in 2012 is \$140,611 as noted in the DBHDS report to the SB627 Work Group.

² Averages for SWVTC from FY10 – FY12: operating cost \$25,843,027; a population of 182; cost per resident of \$141,476.

geographical terrain with its poor road system need to be considered and recognized when looking at the twofold problem of lack of services and supports.

Private for-profit companies are not going to deal with high needs tenants because they won't be able to make a profit from these individuals. The *higher needs* people will end up being evicted. A dual-system consisting of state operated training centers as well as community placements needs to stay in place so that all of the *higher needs* residents will be protected and not end up without services and supports which will result in more lawsuits for the Commonwealth.

This entire effort by DBHDS to move residents out of the training centers and close the training centers appears to be more directed at privatizing the care of our ID/DD citizens rather than toward the quality and dependability of their care. This is not the purpose of the DOJ Settlement Agreement. Is the long range goal to cut funding, for first one program and then another, until these people who cannot advocate for themselves, lose the supports needed for life itself, much less for a life of quality?

Looking at the long term results in other states that have closed their training centers, there is evidence of funding being cut from after another of the supports and programs. These programs and supports were cut after those states had issued many assurances that the former training center residents would have equal or better care in a community setting. So many of these former training center residents in other states end up living on the streets, or are homeless, or are not getting medical or psychiatric care.

The vast majority of the community placements for former SWVTC residents have been in Sponsored Residential homes, and most of those homes are in very isolated areas in this region. There are situations where an ID/DD person can and does flourish in the community; however, some of the more fragile residents of SWVTC cannot do so! SWVTC must remain open for the needs of the residents, and also for a community that needs what our center can provide for the ID/DD in our area. Virginia needs to have dual options for the community: SWVTC with its professional care, and a selection of community placements, along with appropriate services and supports.

DBHDS' Lack of Response and/or Misleading Information

After repeated requests DBHDS has either failed to provide the following, or has distributed misleading information in these instances:

- Requests for cost figures to compare community ICFs to state operated ICFs
- The costs associated with care of an individual in a community ICF
- DBHDS published costs do not compare the costs of state run ICFs to community ICFs
- The Medicaid Waiver fee that is consistently shown by DBHDS is \$68,000 which is the cost of someone residing in a *Sponsored Residential* setting, not in ICF
- Transition Costs have been rolled into the overall SWVTC budget, causing the cost of a resident's care to look inflated

- All requests of the separation of the transition costs have gone unheeded
- DBHDS continues to persist in showing the breakout of funding for training centers to be a 50% / 50% split between state and federal Medicaid funding, when it is actually a funding split of 47.1% State and a 52.9% Federal
- The Medicaid Assessment was hidden in the training center budget as an “Expense” under “Contractual Services” and labeled “Auditing Fees”. The effect of this accounting maneuver is that beginning in FY12 it appears that the cost of care for each individual at SWVTC suddenly jumped by \$10,000 per person.³
- The Assessment Fee should be a “Reduction in Funding” not an “Expenditure” because no money is expended by the state
- Are these Medicaid Assessment monies used to reduce the number of people on the Medicaid Waiver waiting list?
- The costs of capital improvements for SWVTC are overinflated
- All of the SWVTC facilities are up-to-date and maintained in top condition
- All of the floors are being replaced at SWVTC this fiscal year. That is the last high cost capital improvement that is required at SWVTC
- The lower wage scale in Southwestern Virginia has *not* been taken into account in the SWVTC budget projections published by DBHDS. Higher state-wide salaries have been used in this calculation
- The lower labor and materials costs in Southwestern Virginia have *not* been used in calculating Capital Improvements at SWVTC
- Requests for the time frame considered when quoting the Capital Improvement figures have gone unanswered. Do those estimates cover a thirty (30) year period, or longer?
- The cost estimates distributed at the October 6, 2014 SB627 Work Group meeting by the DBHDS financial team is at best faulty if not deliberately misleading
- How is the money that is withheld from the residents’ Social Security / Social Security Insurance money accounted for in SWVTC’s budget?
- Why has SWVTC’s Contractual, Telecommunications (VITA) charges jumped from \$12,417 in FY10 to \$272,222 thus far in FY15?

As Mr. Gene Sivertson, a member of the SB627 Work Group, pointed out, “People from a community setting come to a training center to get better; however, nobody goes out from a training center into a community setting to get better.”

³ http://datapoint.apa.virginia.gov/exp/exp_agy.cfm ; Drill down on the “O” portion beside SWVTC; then Contractual Services

COMMENTS on the FACTORS and OPTIONS

Factor 1 (Ensures the Commonwealth provides comprehensive information to the Guardian/Resident/Authorized Representative/Family regarding all available options and resources "to prevent the unnecessary institutionalization of individuals with ID/DD and to provide them with opportunities to live in the most integrated setting appropriate to their needs consistent with their informed choice". Note: Assumption is that all information and options are provided in accordance with the Department of Justice Settlement Agreement, specifically Section IV(B), Paragraphs 9, 10, 11 and 12 as well as 28CFR35.130(e)(1) (1998) (Americans with Disabilities Act regulations).)

These requirements were deemed by the SB627 Work Group members to be legally required, thus these requirements are in effect for whatever Option the Legislators select and will not be addressed in this paper.

OPTION 1: 4 centers option; sharing excess land

OPTION 2: 4 centers option; right sizing all centers

OPTION 3: 4 centers option; (right sizing all centers), with rebuilding NVTC on less valuable land in the same region

OPTION 4: 3 centers option; building community ICF/IID capacity in Northern Va

~~OPTION 5: 3 centers option; 2 community based centers in NOVA; Central VA (off site and open to persons served in the community based training centers); and leaving SEVTC open~~

Option 5 will not be addressed in this paper as this Option does not support SWVTC remaining open.

OPTION 6: 2 centers option; leaving 2 centers open

Factor 2 (Weight: 15%): (Provides for and maximizes the individual's health, safety and quality of life including medical, health, developmental and behavioral care, in the chosen care setting. Note: Assumption that valid outcome measures and "sentinel event monitoring" are in place and used to ensure the individual continues to receive appropriate care.)

***For Factor 2 the following comments can be applied to any of these Options:
Option 1, Option 2, Option 3, Option 4 and Option 6.***

Quality of Life

One of the items that this Factor mentions is "quality of life." This term can include those intangible things such as living a full life which includes:

- interaction with one's family and friends
- having the occasions to participate in activities that provide happiness and joy
- being able to have choices in day-to-day activities
- participating in interactions that give one a sense of well-being and personal accomplishment
- contributing to society in the work one does
- being a part of a community

The residents at SWVTC have all of these intangible items in their lives. Their families live close enough to be able to visit frequently; the residents are also able to easily go home for a visit with their families.

SWVTC has numerous active Hobby Clubs that are of personal interest to the residents, which includes: gardening, hiking, and cooking. The residents are engaged in paying jobs both on-campus and off-campus. These jobs bring a sense of self-esteem and accomplishment to the resident. The money earned gives the resident the opportunity to learn the relationship between receiving pay for a job well done and having money to spend as they choose. Doing the job itself also gives the resident a sense of contributing to society.

There are on-campus events such as the Regional Soccer League games, music concerts, parades, parties and church services that give the residents the chance to participate alongside non ID/DD people, thus providing them the sense of belonging to a wider community. There is an extensive range of weekly off-campus outings such as picnics, dining out, attending movies, and swimming as well as visiting animals at the zoo. Another choice for the residents is shopping.

There are hundreds of volunteers from the surrounding community who are active in the lives of the residents and spend time with them on a regular basis. These volunteers help the residents with some of their leisure time activities, assist in decorating for holidays, and simply spend time with them. Local church volunteers take Sunday School, gospel singing and church services to the campus and to the cottages for those who are less able to travel. The residents have an on-going relationship with

these active volunteers who have “adopted” the people living in a cottage, and going together on outings of the resident’s choice.

All of the above adds to the “quality of life” of the residents living at SWVTC.

Southwestern Virginia Community Placements

The vast majority of those former SWVTC residents now residing the community are in a Sponsored Residential home in an isolated setting which most often is a farm in southwestern Virginia. They are unable to participate in any of the above events due to the distance, the isolation and the inability of the sponsor to transport them to activities. The isolation of these community settings severely limits the opportunities for a person to be a part of their community in any meaningful manner, or to have friends, or to socialize with others. An activity or job, which took planning by numerous individuals to establish, will not follow an individual. Former residents have had to leave their employment when moved from SWVTC.

Factor 3 (Weight: 15%): *(Provides full and timely access to comparable and appropriate services and supports in the care/residential setting (Training Center or community).*

***For Factor 3 the following comments can be applied to any of these Options:
Option 1, Option 2, Option 3, Option 4 and Option 6.***

Remote, Rugged Southwestern Virginia

The southwestern region of Virginia is rugged, rural and isolated with mountainous dirt and gravel roads that are often perilous and rough with many of them making travel difficult and time consuming. So, even if services such as specialized medical care were available in a local small town, getting there from the outlying countryside would be a long, arduous journey.

Medical Care

It is a fact that the small communities in southwestern Virginia have great difficulty in attracting qualified doctors, nurses, dentist and other medical personal. Specialized medical services can be obtained in larger metropolitan communities that are often a one to three hour drive away. Even though there may be hospitals and doctors in the smaller communities, the medical staff there does not wish to deal with an ID/DD person, sometimes even refusing outright to serve them, and they lack the training and experience to do so.

When a hospital’s care is required for a SWVTC resident they are a 15 minute drive from the Galax Hospital that is associated with Duke University Hospital. The staff at the hospital is experienced in working with the ID/DD patient, has the training to do so effectively and with care and concern for the individual’s physical, mental and psychological well-being. The SWVTC resident/patient is treated with compassion and

respect by all of the Galax Hospital staff from the front desk person to the after-care nursing staff. A high number of the medical specialists in the Hillsville/Galax areas regularly see SWVTC residents as their patients.

At SWVTC there is:

- a full-time medical doctor
- a complete medical staff on duty 24/7
- a dental clinic that is utilized by the residents and ID/DD people living in community placement
- a psychiatrist and neurologist available on a regular basis

The medical staff routinely takes care of issues that an inexperienced medical person simply cannot handle such as daily catheterizations and behavior problems.

Factor 4 (Weight: 30%): (Increases, decreases or has no impact on the cost of serving individuals in a <"right-sized"> Training Center versus the cost of providing comparable care to those served in the community. If the costs of Training Center care is more expensive, would there be a negative impact on access to services for those being served in the community.)

For Factor 4 the following comments can be applied to any of these Options: Option 1, Option 2, Option 3, Option 4 and Option 6.

SWVTC Has the Lowest Costs of all the Training Centers

The cost of serving a “high needs” resident at SWVTC is \$141,476⁴ making it the lowest cost per resident of any of the training centers in Virginia. The cost per “high needs” Medicaid Waiver recipient living in the community is \$140,611⁵. There is virtually no cost savings to be realized by moving a person from SWVTC into a community setting. The difference of \$865 is negligible. The majority of the residents remaining at SWVTC are categorized as “high needs” for their medical and/or behavioral requirements and would most likely require an ICF placement whether that be in the community or in SWVTC.

SWVTC (ICF) and Community ICFs

Even after repeated requests to DBHDS staff that they provide costs associated with a community ICF no data was made available to the SB627 Work Group on those costs. It is known that the costs associated with these individuals will remain high whether they remain at SWVTC or are moved into the community because they require care that can be provided in an ICF setting.

⁴ Averages for SWVTC from FY10 – FY12: operating cost \$25,843,027; a population of 182; cost per resident of \$141,476.

⁵ The average cost of the 57 “intense needs” individuals discharged into the community in 2012 is \$140,611 as reported by DBHDS to the SB627 Work Group.

What are DBHDS' plans for building another ICF and where? Will the fragile ones be sent to another area where parents won't be able to see their loved ones or on a very limited basis? Why is SWVTC not being considered as important as the other centers? Our geographical and rural problems cry for attention and action from DBHDS continue to go unanswered. This means our residents' needs are not being considered at all. The parents and families have concerns and complaints regarding DBHDS and their attitude regarding these concerns. These families think that the quality of life and well-being for those who cannot speak for their own needs is either being ignored or not addressed.

It is perceived that SWVTC is being considered as an unwanted step-child by the lack of ICFs, services and supports being put into place in this isolated region. What is the DBHDS plan for building another ICF and where? Will the fragile ones be sent to another area where parents won't be able to see their loved ones or on a very limited basis? SWVTC is important, in fact it is vital, for the well-being of our more fragile residents and as a safe haven in times of crisis.

Costs of Care

The cost associated with providing "a quality of care that is comparable to that provided in the resident's current training center regarding medical, health, developmental, and behavioral care and safety"⁶ has been found to be \$140,611 for those with "higher needs" leaving the training center. Therefore, the cost of care will remain close to the same amount whether the person continues to reside at SWVTC or is moved into a community ICF.

Transition Costs

Since 2012 the transition costs have been reported as a part of the overall SWVTC budget. On the surface this causes the continued resident's cost of care to appear to be higher than it actually is. Even though the number of remaining residents continues to be reduced, the budget stays the same because more staff has been hired to accommodate moving a resident safely into a community setting, and overnight trips by two staff members as well as the resident are being incurred during the transition period.

Medicaid Assessment Labeled as an "Auditing" Fee

The 2011 Virginia General Assembly passed a bill allowing Virginia to assess/tax all ICFs, both public and state run, at the rate of 5.5% on the Medicaid monies received.⁷ This fell within the guidelines set forth by the federal government that all facilities within a grouping must be taxed equally and that the tax must remain below 6%.

⁶ Wording from the SB627 Bill that was passed in the Virginia 2014 General Assembly.

⁷ Congressional Research Service (www.crs.gov; RS22843) "Medicaid Provider Taxes" by Alison Mitchell, March 15, 2012

The effect of this assessment is that Virginia is able to draw down (receive) additional 11% federal Medicaid money. An ICF (both state operated and private ICFs) receives 11% more Medicaid money, so that even when the ICF pays back to the state an assessment of 5.5% the ICF is able to retain an additional 5.5% Medicaid funds. This ruling was put into place to assist the states so that, for Virginia, now the state Medicaid cost is 47.1% and the federal Medicaid cost is 52.9% to run an ICF. However, DBHDS continues to persist in showing the breakout of funding for training centers is a 50% / 50% split between state and federal funding.

This Medicaid Assessment was tucked into the training center budgets as an “Expense” under “Contractual Services” and labeled “Auditing Fees”. The effect of this accounting maneuver is that beginning in FY2012 it looks like the cost of care for each individual at SWVTC suddenly shot up by \$10,000 per person.⁸ The Assessment Fee should be a “Reduction in Funding” not an “Expenditure” because no money is expended by the state.

*Under **Factor 5 (Weight: 15%)**: (Recognizing that the current system is underfunded, maximizes efficiency and either realizes savings or limits the financial impact on the Commonwealth; such that the overall affordability of the care system is maintained or improved. And, the processes of siting, permitting, securing capital and financing capital improvements to existing Training Centers or other residential options do not strain current staff and financial resources—negatively impacting other care system priorities. Note: Any savings realized should be reinvested in the overall care system.)*

For Factor 5 the following comments can be applied to any of these Options: Option 1, Option 2, Option 3, Option 4 and Option 6.

Capital Improvements

SWVTC is the most economical to operate of all the state run training centers. The capital improvement figures of \$17,829,458 cited by the DBHDS team for SWVTC has no mention of the time frame covered in this estimate: 1 year; 5 years; 30 years. Utilizing money allocated for capital improvements in each year’s budget all of the facilities at SWVTC have been maintained in top condition. How does the DBHDS financial team determine the cost of capital improvement figures with no time frame mentioned in their estimate?

Improvements made at SWVTC in recent years include:

- roofs have been replaced
- a state-of-the-art gym floor has been installed
- a new fire alarm system is in place
- cottage cabinets have been replaced

⁸ http://datapoint.apa.virginia.gov/exp/exp_agy.cfm ; Drill down on the “O” portion beside SWVTC; then Contractual Services

- new up-to-date RETHERM units have been added to maintain a constant, safe food temperature
- The public living areas, bathrooms and bedrooms in each cottage have fresh paint and are well decorated, spotless, orderly and smell clean and fresh
- During the current fiscal year all of the floors are being replaced

This is the last known major capital improvement to be taken care of for SWVTC. Every year the grounds and sidewalks are repaired as needed. The entire campus is beautiful and exceptionally well maintained.

Salaries and the Local Economy

Eighty percent (80%) of the total Expenditure Cost at SWVTC go toward salaries and benefits, *not* for “brick and mortar” expenses. As SWVTC is the second largest employer in the area to close the training center would put a traumatic financial burden on the local economy.

Cost Estimates Distributed by DBHDS

As to the cost estimates distributed at the October 6, 2014 SB627 Work Group meeting by the DBHDS financial team: the financial data is at best faulty, if not deliberately misleading. The DBHDS financial team used state-wide average wages for Direct Care workers, while the average Direct Care worker salaries for SWVTC are the lowest in the Commonwealth. No consideration of lower contract wages and materials in this rural area were taken into account for the projected capital improvement costs.

Savings Re-Distribution

The families disagree that savings from SWVTC should be re-invested into the overall care system. Any savings realized by the efficient running of SWVTC due to good financial practices should be reinvested at SWVTC.

*Under **Factor 6 (Weight: 25%)**: (Provides reasonable geographic proximity to families, services and supports for individuals who elect to continue care in a Training Center or in the community; and if a facility is chosen, it is integrated into the greater surrounding community—providing access to the greater community similar to individuals who live in settings viewed as more integrated.)*

For Factor 6 the following comments can be applied to any of these Options: Option 1, Option 2, Option 3, Option 4 and Option 6.

Lack of Community ICFs in Southwestern Virginia

Of the forty-seven (47) privately operated ICFs in the Commonwealth, only two are located in the region served by SWVTC with a total bed occupancy of twenty (20) residents and both are at full occupancy. These two community ICFs are located in

Buchanan County which is a three (3) hour drive from Hillsville, VA. There are no other community ICFs located within the region served by SWVTC. In order to accommodate the *higher needs* individuals who are currently living at SWVTC, the Commonwealth would have to build or establish community ICFs in southwest Virginia that could accommodate up to one hundred (100) clients.

SWVTC's Easy-to-Access Location in Southwestern Virginia

SWVTC is located along the main corridor of Route 58 and Interstate 77, and situated between Hillsville and Galax. This gives the residents easy access to hospitals and medical specialists, quick access to numerous leisure-time venues in the community as well as being close enough to jobs to be able to take advantage of a variety of employment opportunities. This location along two major routes also makes it easier and faster for the families living in the far-flung corners of this rural and isolated southwest Virginia region to visit with their loved ones. Most of the families live within a two (2) hour drive of SWVTC.

If residents were relocated to SEVTC it would be as much as a ten (10) hour drive in order to visit their loved ones. A trip from far Southwest VA to Northern Virginia would be a seven (7) hour drive and a three and a half (3 ½) hour drive to Lynchburg. Numerous parents of the residents at SWVTC are seniors in their 70's and 80's; a large number of these parents are also in poor health and are unable to travel long distances.

Isolated Community Placement Locations

Many of the former SWVTC residents who have been moved "into the community" are now residing in remote and isolated locations, often with no neighbors in sight. Some of those out-of-the-way community settings are a drive of forty-five minutes or more away from a town of any size. These remotely located Sponsored Residential homes in southwest Virginia actually are in a much more isolated location than is the SWVTC facility, which is located in a large (for this region) developed area that offers many services that are not available in these remote areas.