

Per Person - The Most Expensive Facility in the State

In 2013 and 2014, Montana Developmental Center (MDC) had an average of 50 residents in its facility. Every day for the past two years on average, 24 of the 50 residents have been determined eligible for and referred to the community for services. In other words, everyday 24 residents are ready and waiting to move into community services. Many of the 24 have been waiting two years. Attached as Exhibits 1 and 2.

The waiting cost is \$849 per day or \$310,074 per year, per person. Per person, MDC is the most expensive facility operated in the state of Montana with an operating budget that exceeds \$17 million. Attached as Exhibits 3 and 4.

Cost of MDC

\$849 per day
\$310,000 per year

\$17 million per year for
50 residents

Even though 24 people currently are ready for community services and should not be in MDC, Department of Public Health and Human Services' (DPHHS) request to the 2015 Legislature is to fund only seven individuals in 2016 and seven in 2017 for a total of 14 placements into the community in the next two years.

When asked why there are so many residents waiting for community service, DPHHS claims that community providers refuse or choose not to serve this group of people. DPHHS conveniently shifts the blame to providers and washes its hands of the problem. DPHHS should not be let off the hook so easily.

If it is true that providers do not want to serve people coming out of MDC, DPHHS must figure out why and fix it. It is not ok to keep citizens confined in the most restrictive setting when there is no justifiable or lawful reason.

The State of Montana, through DPHHS, has an obligation to protect the rights of its citizens being held at MDC when they no longer are required or eligible to be there.

If every day in the past two years, 24 of the 50 residents should not have been there, then MDC's purpose and function is rightfully limited to only the remaining 26 people. If Montana needs a facility for people with serious intellectual disabilities, the statistics show the maximum population of such a facility would be 26 residents.

Why then is DPHHS requesting in excess of \$17 million to operate a facility for 56 residents? That is 30 more than is necessary and lawful.

A major justification for not developing and placing eligible residents in community services is to keep MDC open for jobs and the economy of Boulder. MDC has 250.67 FTE. 160 direct care staff for 50 residents. The additional 90 FTE are a variety of other positions to include: client services coordinators, custodians, nurses, shift managers, treatment and program specialists, unit coordinators, food preparation workers, and maintenance and warehouse workers. The average hourly wage for a psychiatric aide, direct care staff, is \$13.47 or \$28,009 annually.ⁱ In addition to the wages, each staff receives \$887 per month, or \$10,644 annually, in health benefitsⁱⁱ as well as paid vacation, sick and holiday leave.ⁱⁱⁱ

The Legislature and the citizens of Montana should be outraged at the blatant disregard and violation of the rights of Montanans with intellectual disabilities and the inappropriate spending of taxpayer dollars.

<p style="text-align: center;"><u>January 2015 Census Report*</u></p> <p>22 Civilly Committed</p> <p>8 Criminally Sentenced</p> <p><u>24 Referred and Waiting for Community Service</u></p> <p>54 Total</p> <p>*RFST Monthly Report for January 2015</p>
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Clearly if the State were to fund MDC for the number of residents who may need to be there, it would be funded for only 26 people. DPHHS cannot justify the infrastructure cost to run MDC in Boulder for just 26 residents so it maintains a daily census of 50 to justify its existence.

Keeping MDC open and funded for 50 residents also makes it convenient to not address the lack of community services and the issue of private providers' alleged unwillingness to accept referrals from MDC.

Since 1996, DPHHS has tried to transform and rehabilitate the Montana Developmental Center with little success. Montanans have been pouring good money in a bad facility. DPHHS has paid one consultant after another to come up with the same conclusions:

MDC is exemplary of a ‘smaller’ ICF/MR. ‘Economies of scale’ afforded larger facilities elude those with smaller populations. Geography must also be seriously considered Boulder, Montana requires more ‘on site’ resources than that of a less rural, more robust, densely populated, setting. Resources, employees and contractors must travel greater distances, for greater costs, than [in] other more densely populated settings. *2007 Study of MDC by the Pennhurst Group*

The State is in clear violation of the integration mandate of the Americans with Disabilities Act. In *Olmstead vs Zimring*, 119 S. Ct. 2176 (1999), the U.S. Supreme Court required all states to integrate people with disabilities into communities in order to avoid unlawful discrimination.

Yet DPHHS unabashedly continues to request millions of dollars for this facility while community service providers are left practically begging for a 2% provider rate increase.

Something is seriously wrong with this picture.

The 2015 legislature has the opportunity to make this right. If Montana needs residential treatment for people with intellectual disabilities, we should build a facility or facilities that are appropriately sized, funded, and staffed with qualified professional and support staff. We should not irresponsibly spend any more taxpayer money in a failing institution. Instead we need to invest those resources into building community services that support integration and inclusion of people with disabilities and compensate direct care providers by paying salaries and benefits comparable to those of state institutional workers.

The State is in clear violation of the integration mandate of the Americans with Disabilities Act and *Olmstead vs Zimring*, and must take immediate remedial action before it is required by a court to do so.

ⁱ <http://transparency.mt.gov/>, February 3, 2015

ⁱⁱ <http://benefits.mt.gov/About-HCBD>, February 3, 2015

ⁱⁱⁱ <http://hr.mt.gov/newbenefits>, February 3, 2015

2013 MDC Monthly Population Numbers*

Month	Total Population**	Criminally Committed	Not Committed	Referred for Community Placement	Placed in Community Services
January	52	***	***	26	0
February	50	7	5	27	2
March	49	7	2	23	1
April	49	7	3	19	1
May	50	6	3	19	0
June	48	6	2	20	0
July	49	6	2	16	4
August	49	***	3	19	1
September	51	7	3	21	1
October	49	6	4	27	3
November	50	***	5	28	0
December	50	***	5	28	0
Monthly Average	49.66	6.5	3.36	22.75	1.08

* All of the information for this chart was collected from monthly 2013 RFST reports generated by the Developmental Disabilities Program Services Coordinator

** ICF/IDD and ICF/ID breakdown of total population was not reported on in 2013

*** Numbers not in monthly RFST Report (months without numbers were not included in monthly average)

January 2014 Annual RFST Report for 2013:

1. 21 placements from MDC made in 2013 (13 placements into DD Services, 8 in other placements)
2. 24 new admissions in 2013
3. 26 re-commitments in 2013

2014 MDC Monthly Population Numbers*

Date	Total Population	Federal Certification ICF/IID	State Licensed ICF/ID (ASU)	Criminally Committed	Not Committed	Referred for Community Placement	Placed in Community Services
January	50	38	12	6	5	27	0
February	49	38	11	6	5	28	2
March	50	38	12	6	5	27	0
April	48	36	12	6	6	24	3
May	48	38	10	6	5	23	1
June	50	39	11	7	5	22	1
July	51	40	11	8	5	25	2
August	51	40	11	8	6	28	2
September	52	40	12	7	7	28	3
October	51	39	12	8	7	25	3
November	52	42	10	9	7	25	1
December	54	42	12	9	6	25	1
Monthly Average	50.5	39.1	11.3	7.1	5.7	25.5	1.5
<p>* All of the information for this chart was collected from monthly RFST reports generated by the Developmental Disabilities Program Services Coordinator</p>				<p>January 2015 Annual RFST Report for 2014:</p> <ul style="list-style-type: none"> • 19 placements from MDC made in 2014 • 21 new admissions in 2014 • 25 re-commitments in 2014 			

The below table summarizes the Montana Developmental Center expenditures and budget request for the 2015 and 2017 biennia.

Montana Developmental Center Expenditures				
	Actual FY 2014	Approp. FY 2015	Budgeted FY 2016	Budgeted FY 2017
FTE	250.67	250.67	250.67	250.67
Personal Services	\$12,206,009	\$10,717,568	\$14,084,114	\$14,031,822
All Other	<u>\$3,266,391</u>	<u>\$3,562,005</u>	<u>\$3,302,248</u>	<u>\$3,307,068</u>
Total	\$15,472,400	\$14,279,573	\$17,386,362	\$17,338,890
General Fund	\$13,952,242	\$13,302,571	\$16,446,667	\$16,396,059
State Special Revenue	\$995,013	\$977,002	\$995,013	\$995,013
Federal Special Revenue	<u>525,145.00</u>	<u>0.00</u>	<u>-52,318.00</u>	<u>-52,182.00</u>
	\$15,472,400	\$14,279,573	\$17,389,362	\$17,338,890
Population	56	56	56	56
Cost per Person	\$276,293	\$254,992	\$310,471	\$309,623
Cost per Day	\$756.97	\$698.61	\$850.60	\$848.28

The state percentage has been increasing recently, leading to rising state fund expenditures for these services. The effect of the FY 2016 and anticipated FY 2017 FMAP changes can be seen in the adjacent table, broken down by service and program.

Budget Item	General Fund	State Special	Federal Funds	Net Change
Child & Family Services				
Foster Care	\$261,282	\$0	(\$261,282)	\$0
Guardianship	39,346	-	(39,346)	-
Subsidized Adoption	<u>476,986</u>	-	<u>(476,986)</u>	-
Subtotal	777,614	-	(777,614)	-
Disability Services				
Children's Mental Health	3,730,866	-	(3,730,866)	-
Waiver Providers	<u>5,210,972</u>	-	<u>(5,210,972)</u>	-
Subtotal	8,941,838	-	(8,941,838)	-
Health Resources				
HMK (CHIP)	-	2,172,504	(2,172,504)	-
HMK (CHIP-Funded)	-	3,920,716	(3,920,716)	-
Physical Health	21,503,534	-	(21,503,534)	-
Breast & Cervical Cancer	134,040	-	(134,040)	-
Hospital Util. Fee	<u>0</u>	<u>3,089,608</u>	<u>(3,089,608)</u>	-
Subtotal	21,637,574	9,182,828	(30,820,402)	-
Senior & Long Term Care				
Community First Choice	1,362,308	-	(1,362,308)	-
Home Based Services	714,410	-	(714,410)	-
Nursing Homes	6,482,212	-	(6,482,212)	-
Nursing Homes IGT	-	669,644	(669,644)	-
Home & Community Based	<u>1,691,002</u>	<u>0</u>	<u>(1,691,002)</u>	-
Subtotal	10,249,932	669,644	(10,919,576)	-
Addictive & Mental Disorders				
Adult Mental Health	1,554,500	394,632	(1,949,132)	-
Chemical Dependency	-	95,660	(95,660)	-
Home & Community Based	-	162,592	(162,592)	-
HIFA MHSP	-	<u>458,934</u>	<u>(458,934)</u>	-
Subtotal	1,554,500	1,111,818	(2,666,318)	-
Total	\$43,161,458	\$10,964,290	(\$54,125,748)	\$0

Summary of State Facility Budget Requests

The table below shows a biennial summary of state facility costs by facility. The executive budget funds a total of 597 persons served each day in all six state facilities. As noted previously, facility FTE and personal services costs are more than one third of the 2017 biennium budget request. In total, state facility budgets are \$139.1 million general fund or about 13% of the total agency general fund request.

The average annual cost to serve one person in each facility ranges from a high of about \$310,000 at the Montana Developmental Center to a low of \$50,000 at the Eastern Montana Veterans' Home (EMVH). Not all facility costs for EMVH are included in the HB 2 appropriation so the cost to serve one person is understated. The state contracts for operation of EMVH, so only the cost of the FTE to administer the contract and the pass through of

Facility/Funding	ADP*	FTE	Personal Services	All Other	Annual per Person Cost
Montana State Hospital	228	458.90	\$60,905,354	\$19,984,108	\$177,389
Montana Developmental Center	56	250.67	26,290,123	8,438,129	310,074
Mental Health Nursing Care Center	120	149.41	16,992,119	7,396,882	101,621
Montana Veterans' Home	96	141.86	16,228,735	6,408,670	117,903
Montana Chemical Dependency Center	39	53.25	7,426,372	3,453,463	139,485
Eastern Montana Veterans' Home	<u>58</u>	<u>1.06</u>	<u>139,308</u>	<u>5,672,421</u>	<u>50,015</u>
Total	597	1,055.15	127,982,011	51,353,673	150,172
General Fund					139,147,370
Other					40,188,314
Total					\$179,335,684

ADP is average daily population.

federal Veterans' Administration per diem reimbursements and some cigarette tax state special revenue are reflected in the table. Any other facility costs and revenues, such as Medicare and private reimbursements, are not included. As noted in the summary of the Governor's mental health initiative, it includes expansion of services at both MSH and the Montana Mental Health Nursing Care Center. In addition, there are other requests for facility cost increases.