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## **Fund the Priority Waiting List Now to Avoid an Avalanche of Emergencies Later: FY16 Budget Recommendations**

In the past three years the State rightfully focused its attention on moving individuals with intellectual and developmental disabilities (I/DD) living in developmental centers back into the community; an important initiative that The Arc of New Jersey supported. With two centers now closed, it is the State's responsibility to concentrate on the 3,700 individuals, in desperate need of services, who remain in the Priority Category of the Community Waiting List. It is important to note that the size of the Priority Category has grown so large that it now constitutes more than half of the Waiting List. This is a staggering statistic when you realize these 3,700 people are put in this category because the State has deemed them to be at significant risk. These are the people on their way to becoming emergencies, which is typically the only way they will receive the services they so desperately require. The State must bring stability back to families and their loved ones with I/DD living at home, by moving people off the Priority Waiting List before their urgent needs escalate to the point of emergency. That is why we are requesting funding to move no less than **330 people, per year for the next 3 years to meet the goal of 1,000 people**, off the Priority Waiting List, and into Community Care Waiver services, **at an annual projected cost of \$13 million a year.**

### **Funding More People in Need of Services**

What does a significant risk mean to the Division of Developmental Disabilities (DDD)? To be assigned to the Priority Category a primary caregiver for a served individual must be over the age of 55 or have a chronic physical or psychiatric condition which limits their ability to care for their loved one. This designation is also made if there is a risk to the health or safety of the individual living in the home. When these situations worsen, these Priority circumstances can quickly turn into emergencies, which means a served person is homeless or in imminent peril. This often occurs when an individual with I/DD is living with an elderly family member who becomes ill or dies. Emergencies can be exactly what you would imagine: frantic, confusing and unplanned. While that type of scenario is challenging for anyone, it is particularly upsetting for people with I/DD who may struggle with transition and change even under the best circumstances. Moving individuals off the Priority Waiting List before an emergency occurs ensures a smoother, anticipated transition and appropriate placement. However because the State knows that there are 3,700 people on their way to becoming emergencies action can be taken now. We can help these individuals and their families by ending their wait and enrolling them onto the Community Care Waiver. Doing so will keep people with I/DD in the community long after their families can no longer provide support. This funding request regarding the Waiting List is in addition to funds needed on an annual basis to address emergencies that occur in the system throughout the year.

### **Supplying Housing Vouchers for People with I/DD**

Another critical prong to community living is housing vouchers. County housing lists are perpetually closed to new names and the State has not devoted monies to this cause in many years. That is why we are requesting 300 housing vouchers through the Division of Developmental Disabilities, at a cost of \$10,000 each, that will allow people with I/DD to live in the community with supports. It is important to note that the service delivery system is

in the process of transitioning from contract-reimbursement to a fee-for-service structure that involves a federal Medicaid match for services rendered. Medicaid rules prohibit payment for room and board in coupling with services; therefore funding to house individuals with I/DD is becoming even more challenging. With this in mind, we believe the state must provide **300 housing vouchers, specifically for individuals with I/DD, beginning in FY16 at an annual projected cost of \$3 million.**

#### **Funding for Provider Transition Costs**

As New Jersey switches from contract reimbursement to a fee-for-service model that involves direct billing to Medicaid, community providers have or will face many one-time costs in order to bring their businesses into compliance. That is why we are requesting funding for one-time transition costs so that providers can put in place all of the technology, training and quality control mechanisms required by the new model of business. With a one-time budget line item of **\$5 million** providers across the State will be able to apply for up to \$25,000 in funds to cover the costs associated with things like new billing systems, staff trainings, and software updates. These monies would be earmarked for providers who have already updated their businesses in advance of the changeover as well as those in the process of making infrastructure modifications. This funding ensures providers can continue offering services in the wake of this significant systems change.

#### **Fact & Figures:**

- There are approximately 6,415 people on the Waiting List. However 3,700 people, which is more than half, are in the Priority Category because DDD has deemed them to be at significant risk.
- In the last three fiscal years only 586 individuals were moved from the Priority Waiting List onto the Community Care Waiver, and the majority of those people were deemed emergencies before making that ascension.
- Moving an individual off the Waiting List and into Community Care Waiver services costs approximately \$76,700 a year, but 50%, or \$38,350, is paid for via a federal Medicaid match.
- HUD reports that the average fair-market rent in New Jersey is \$1,033 a month. Based on the income and benefits that individuals with intellectual and developmental disabilities receive, this population will be unable to live in the community with the supports they require without the assistance of housing vouchers.

#### **Recommendations:**

Caregivers in New Jersey are aging and their loved ones with I/DD, many of whom have significant medical, mental health and behavioral challenges, are still living at home, on the Priority Waiting List. To address these issues, The Arc of New Jersey recommends the following:

1. **Funding for 330 people, per year for the next three years for a total of 1,000 people, off the List and into services.** By doing so the State will allow individuals and their families to find and plan an appropriate placement as opposed to an emergency placement that often occurs after a traumatic incident, (e.g. the death of a parent,) resulting in fewer and also less suitable options.
2. **300 housing vouchers specifically for individuals with I/DD starting in FY16 at a cost of \$3 million a year.** This is critical for continued community living.
3. **Funding for Provider Transition Costs.** This one-time funding of \$5 million will go toward transition costs associated with the shift to fee-for-service. Providers would be able to apply for up to \$25,000 for things like new billing systems, staff trainings, and software updates.

**Adopted by The Arc of New Jersey Board of Directors December 3, 2014**