

North Los Angeles County Regional Center
Vendor Advisory Committee Meeting Minutes

January 9, 2014

Present: Bob Erio, Rick Clemens, Annie Cox, Sienna Greener-Wooten, Jonathan Istrin, Ken Lane, Rebecca Lienhard, Marina Pink, Wayne Tashjian, and Gay Wane - Committee Members

Maribel Galvan, Eden Garcia, Anna Polin, Kim Rolfes, Nikisia Simmons, George Stevens, Jason Trevino, Liliana Windover, John Youngbauer, and Ruth Zepeda - Staff

Andrea Lemus, Lisa Szillaggi, Riva Kestenbaum, Eddie Bueno, Josephine Manabat, Cynthia Fernandez, Jack Darakjian, Charles Devlin, Aaron Kitzman, Brandon Seigel, Hilya Delband, Arcelia Brown, Bianca Sevilla, and Gail Lasker – Guests

Absent: Michelle Heid, Pam Jacobson, Jenni Moran, Scott Shepard, and Dolly Wauls

I. Call to Order & Introductions

Bob Erio called the meeting to order in Jenni Moran's absence, at 9:30 a.m.

II. Public Input - There was no public input.

III. Consent Items

A. Approval of Agenda

M/S/C (G. Wane/R. Lienhard) To approve the agenda as presented.

B. Approval of Minutes from November 7th VAC Meeting

M/S/C (G. Wane/W. Tashjian) To approve the minutes as presented.

IV. Executive Director's Report

George Stevens gave the following reports:

A. Department of Developmental Services (DDS): Terri Delgadillo retired from her position as DDS director last month. Mark Hutchinson, deputy director,

will be retiring next week. We do not know, at this point, who the new director and deputy director will be.

B. State Budget: The governor has released his proposed budget for FY 2014-15. The budget includes a total of \$5.2 billion (\$2.9 billion general fund) for DDS, an increase of \$221.8 million from the current fiscal year. Highlights from the budget include:

1. Additional developmental center funding. Sonoma Developmental Center has been decertified which means it loses its federal funding (which covers half of its budget) and 3 other developmental centers are very close to being decertified. This has a tremendous impact on DDS's budget. There is some money in the budget to help address the issues plaguing those centers.
2. \$110 million has been added to the regional centers' purchase of service (POS) budget for services which rely on employees who will soon be receiving the minimum wage increase brought about by Assembly Bill 10.
3. Federal overtime change. \$7.5 million (\$4.0 general fund) has been added to the POS budget to reflect the regulatory changes in the Department of Labor fair labor standards to include overtime compensation for service providers that were previously not required to pay overtime. The overtime requirement becomes effective January 1, 2015.

Action: George will ask Jennifer to e-mail information in the state budget about the overtime change to the VAC.

Unfortunately, the budget did not address pertinent policy issues including the restoration of the Early Start program, service provider rate freezes, or the restoration of cuts due to past trailer bill language. The center's board is committed to developing relationships with our local legislators to educate them and keep them aware of our policy issues.

C. NLACRC's Budget: The center is currently projecting a deficit in its POS budget for this fiscal year between \$44 and \$46 million. This is the largest deficit we have ever had. The deficit is due to many factors including:

1. We were allocated \$13 million less this fiscal year than last fiscal year.

2. Our community placement plan (CPP) budget is underfunded and it is very costly to move consumers out of the developmental centers and create living arrangements for them in the community.
3. We were not given any additional dollars for caseload growth and we are one of the fastest growing centers in the state. Over the last 12 months, our regular caseload increased by 826 cases and our intakes grew by nearly 100 cases.

We anticipate that DDS will fully fund our POS budget as they have in the past. If we run into a cash flow problem, ordinarily we could borrow from our credit line. But if the money is not in our contract, we cannot borrow against it.

D. Legislation: The governor signed a number of bills including:

1. SB 367 (Block) Requires cultural and linguistic competency training for regional center board members, annually reviewing the performance of the regional center director, and post on the regional center's website information regarding the training and support provided.
2. SB 468 (Emmerson/Beall/Mitchell/Chesbro) Will create a voluntary, statewide self-determination program as an alternative to the traditional way regional centers provide services. It will take several years for the program to be implemented for many reasons, including the state submitting a waiver application to the federal government.
3. SB 555 (Correa) Requires regional centers to translate IPPs and IFSPs into the family's native language.

V. **Community Services Director's Report** (Kim Rolfes and Erica Beall)

- A. Minimum Wage Increase: A law was just passed that will increase the minimum wage from \$8/hour to \$9/hour in 2014 and from \$9/hour to \$10/hour in 2016.
- B. Transportation Issue: The City of Los Angeles has been sending letters to our providers requiring them to adhere to specific transportation rules when transporting consumers for non-medical reasons. They are requiring that their vehicles be permitted and the drivers trained. They are threatening to arrest people and assess fines to those who do not follow their rules. Gay Wane added that they are charging \$567 per vehicle, \$106 for certification,

and additional funds to cover paperwork costs. For agencies with a lot of vans, that can really add up.

- C. 2012 Audits/Independent Reviews: We have sent out letters to our providers asking them to submit a copy of the audit or independent review to us.
- D. Mileage Reimbursement Rate Change: Effective January 1, 2014, the IRS mileage reimbursement rate was reduced from 56.5 cents/mile to 56 cents/mile. We have sent notices out to our providers about this.
- E. SSI Rate Change: Effective January 1, 2014, the SSI rate changed, which will have an effect on our residential providers.
- H Requests for Proposals: Have been posted on our website for 8 projects:
 - 1. 4 specialized residential facilities
 - 2. 2 day programs
 - 3. 1 supported living service
 - 4. 1 crisis support service

An applicant' conference will be held Monday, January 13th, at 9:00 a.m. (for the residential facilities and day program) and at 1:30 p.m. (for the supported living and crisis support services).

VI. Committee Business

A. **Resignation of Roy Jensen from the VAC**

Roy will be recognized at the board's annual dinner for his many years of services on the VAC.

B. **California Health Facilities (CAHF) Cost of Living Increase** (Jonathan Istrin)

Jonathan reported that the information hasn't changed. If you want to get a cost of living increase (COLA) as a standard pass-through, you need a legislator to sponsor a bill and need to garner support for it (e.g. the SEIU). The volume of families we could get to back a COLA bill could easily equal the clout of the SEIU. The rate setting methodology of the past is gone and we need something to replace it; a COLA would be the easiest way to do this.

C. Development of Presentation for Senator Liu Regarding Provider Costs Versus Rates (Ken Lane and Bob Erio)

Last year, Kim Rolfes and her legislative team met with Jacqueline Wu, district representative for Senator Carol Liu, as part of the center's Grass Roots Week visits. During their discussion about service provider rates and some of the unfunded costs that service providers have had to absorb, Jacqueline asked if the center would provide data or have access to statewide data about what the costs have been to implement trailer bill language and what the savings have been for it (uniform holidays, independent audits, etc.). Kim also talked with her about how DDS used to collect cost statements from service providers to establish rates and that DDS had not collected this information in many years. Jacqueline expressed an interest in obtaining data about what it costs a service provider to operate their business and indicated that Carol Liu's office may reach out to DDS on this issue. This came to the VAC for discussion and was deferred to the VAC's adult services team for discussion. The adult services team was to develop data for Senator Carol Liu's office on realistic providers' costs and actual savings of recent trailer bill language. Bob added that Ability First is developing a PowerPoint presentation that can be shown to Senator Liu. Discussion ensued about the number of programs that have closed due to the rate freezes, the letter written by The Lanterman Coalition to Governor Brown outlining what could happen if programs are not funded for the recent state and federal mandate wage and benefit changes, the incoming self-determination program, and the costly requirement for providers to submit audits or independent reviews.

Bob asked the committee what their priority would be? Pushing for a COLA, cost statement process, or elimination of the requirement for audits and independent reviews? Ken stated that whatever the committee decides, they will need to be able to pull data together to demonstrate the effects and we will also need to get service providers to pull together to support the effort.

Action: The VAC's updated priority issues will be identified at next month's VAC meeting and then submitted to the Board of Trustee for approval.

VII. Reports from the VAC Priority Issue Work Groups

A. Early Start/Prevention Services (Annie Cox)

Annie reported that the group focused on three areas. The group discussed the "realistic service provider cost issue" further and is committed to seeking further input from vendors in order to report back to the VAC. In addition,

the group is supportive of ARCA's commitment towards getting Early Start revitalized and fully funded. It will be important to continue to revisit pre-2009 eligibility Early Start Part C guidelines including providing early intervention services for young children in the at-risk category. Research has demonstrated tremendous positive impact of early intervention services on these children's development. NLACRC staff reported 65% of young children in the Prevention Unit come back for re-evaluations. Finally, NLACRC staff reported families in Early Start are dealing with understanding the insurance co-pay issue. The legislature passed forth a trailer bill that required Early Start services to request insurance companies to fund for certain services such as speech therapy, occupational therapy, physical therapy and applied behavior analysis. Families are still struggling to understand this issue and many are put into a difficult position to having to make co-payments. NLACRC is providing great support for families in this area by educating them and connecting them to fair hearing process when appropriate.

B. Children's Services (Rick Clemens)

This group meets the opposite month of the other groups. Their last meeting on October 3rd and it was a very productive meeting. They are focusing on Employment First issues and spent a lot of time talking about actions that could be taken to work this into the children's community. They also discussed the importance of semantics and the right language to use during children's IPPs in this regard. If a young consumer has skills development, they would like to see a vocational goal included. They would also like to see vendors providing vocational skill development. The group also discussed a training for service coordinators on the importance of including vocational goals in children's IPPs and what those vocational goals could look like. At the end of their meeting, they calendared their participation in the new parent orientations; one member of the group attends each orientation. The group is meeting again today, after the VAC meeting, and anyone is welcome to join in their discussions.

C. Adult Services (Rebecca Lienhard)

Rebecca was unable to attend the last meeting, so she was unable to give a report. Ken reported that the group focused on putting together a presentation to legislators to address the costs versus expenses issue.

D. Mental Health Issues (Gay Wane)

This group meets the last Thursday of each month. They discuss confidential cases of consumers with mental health needs and help problem solve. The cases are presented by the Department of Mental Health or by various providers. Please feel free to join the group. Gay stated that she was reviewing NLACRC's monthly special incident report and it there were many instances of consumers with psychiatric hospital intakes.

E. VAC Employment First Policy (Blue, Red, and Purple Bubble Groups)

Rebecca reported that the group agreed to take the first draft of the VAC's Employment First policy for the center to the board's Consumer Services Committee and then to the full board to ask for their support. The draft policy was presented to the committee in November and the committee was asked to prepare themselves for discussion on it at the January 15th meeting; it will then be presented to the full board on February 12th.

VIII. Report on Board Committee Meetings

A. Administrative Affairs (Ken Lane)

The committee is given monthly reports on the center's financial status, late bills, human resources, and the cash flow issues surrounding the intermediate care facility state plan amendment (ICF/SPA). They also review all contracts that exceed \$250,000.

At the October meeting:

1. ICF/SPA money owed to regional center is \$500,000 for the last year plus \$2 million for this year.
2. There were 2 contracts for approval:
 - Southland Transportation Incorporated: transportation in the Antelope Valley.
 - HOPE: the purchase and improvements to homes for consumers leaving developmental centers and other large facilities.
3. Fifteen service coordinators will be hired when funds are available.
4. The Wellspring closure continues to be an issue because of confidentiality violations. This was reported at the last VAC meeting.
5. Eight providers have received notice from the regional center that statute, they will not receive any further referrals and their vendorizations will be terminated until the audit for 2011 has begun and/or completed.
6. The center was randomly selected for an audit by the Employment Development Department, but no issues are expected.

At the November Meeting:

7. The regional center was set to receive \$1.926 million from DDS which was inadvertently not included in their allocation.
8. As of October 31st of last year, the total cash actually dispersed by regional center but not reimbursed by the ICF providers was nearly \$2,300,000.
9. One contract was recommended for approval for an agency that will reimburse non-covered insurance copayments and coinsurance as identified in consumer's IPP's.

B. Board of Trustees (Jenni Moran)

George gave the report in Jenni's absence. The board meeting was held last night at the center's new Santa Clarita Valley office. The board members and guests were given a tour of the new offices, including the new family resource center. The board was given an update on the center's budget situation and was updated on the center's implementation of legislation that the governor recently passed.

C. Consumer Services (Rebecca Lienhard & Michelle Heid)

Rebecca reported that highlights of the meeting included the 1st quarter appeals and hearings report, a review of DDS's fair hearing semi-annual report, and the monthly community placement plan report. The committee also given the first draft of the VAC's Employment First policy and will be discussing it at their next meeting on January 15th.

D. Government & Community Relations (Rebecca Lienhard & Michelle Heid)

The committee was given a status report on the legislation they are tracking. Each board member was assigned to a legislator in their district that they can develop a relationship with. The committee is finalizing the theme for this year's Legislative Breakfast which will be held Friday, April 11th, at Sam's Café. Several of the committee members had attended Assembly Member Adrin Nazarian's open house and gave reports on that event.

E. Housing (Jonathan Istrin)

The committee meets quarterly and last met on November 18th. They were given their annual committee orientation and elected Eric Leh, board president, as committee chair for this fiscal year. The committee was given a report on the 2 trainings that George Braddock gave for our providers, as it

was initially the Housing Committee's idea to hold the trainings. An update was given on the center's community placement plan; there is a lot of activity going on moving consumers out of the developmental centers and other large institutions and into the community. Also, Jonathan gave the committee a report on the Olmstead conference he attended and the possibility of using Medi-Cal dollars for housing for people coming out of nursing homes. Unfortunately, these dollars do not apply to people with developmental disabilities.

Gay Wane suggested the committee look into the possibility of working with the Department of Mental Health regarding housing issues as there are many consumers with a dual diagnosis. Jonathan thought that was a great idea!

F. Nominating (Bob Erio)

The committee is looking at filling 8 open positions on the Board of Trustees, 5 open positions on the Consumer Advisory Committee, and 6 open positions on the Vendor Advisory Committee. The applicants will be interviewed in the coming months, the recommended nominees will be presented to the board in May, and the elections will be held at the board meeting in June.

G. Strategic Planning (Jonathan Istrin)

This committee also meets quarterly and last met on November 4th. They were told that the board's Executive Committee approved the center's 2014 performance contract and it was submitted to DDS by the November 1st deadline. The committee discussed conducting a satisfaction survey, but decided not to and instead would like staff to identify a clear picture of consumers who need services that are not available and what those services would look like if they were able to be developed. Once determined, this information could be shared with legislators and others. This information will be presented at the next Strategic Planning Committee meeting on February 3rd.

IX. Open Issues for Discussion

No further issues were identified for discussion.

X. Agenda Items for the Next Board Meeting

The following agenda item was identified for the February 12th board meeting agenda:

A. Minutes of January 9th Meeting

XI. Announcements/Information/Public Input

A. Transportation Issue: As discussed at previous meetings, the City of Los Angeles has been sending letters to providers requiring them to adhere to specific transportation rules when transporting consumers for non-medical reasons. They are requiring that their vehicles be permitted and the drivers trained. They are threatening to arrest people and assess fines to those who do not follow their rules. Gay reported that she left information about this and sample letters that can be used opposing this requirement; please pick them up and distribute them as you can.

B. Next VAC Meeting: Thursday, February 6th, at 9:30 a.m.

XII. Adjournment

Bob adjourned the meeting at 10:28 a.m.

Submitted by,

Jennifer Kaiser

Jennifer Kaiser
Executive Assistant

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