

HUMAN SERVICES COMMITTEE

Tuesday, November 3, 2015

LEGISLATIVE TESTIMONY

Senate Bill No. 2012 Section 14

Developmental Disabilities Reimbursement Project

Good afternoon, Chairperson Hogan and Members of the Human Services Committee. My name is Jeff Pederson, President of CHI Friendship. I am grateful for the opportunity to share with you my thoughts on the DD Reimbursement Project through this testimony. I regret prior commitments preclude me from sharing this testimony in person at this hearing.

First, let me describe who CHI Friendship is and the services we provide. CHI Friendship is one of the largest nonprofit, private providers to people with intellectual/developmental disabilities in the state of North Dakota. We support and serve approximately 350 people in Fargo, Grafton and Park River. CHI Friendship began in 1974 and provides a variety of services including both residential and vocational. I have had the privilege to serve in the capacity of President at CHI Friendship for the past 22 years. Prior to that, I served for 5 years as the Director of Administration at the State Developmental Center in Grafton- today known as the Life Skills and Transition Center.

North Dakota can and should take great pride in the outstanding services it provides to people with intellectual/developmental disabilities, some of our state's most vulnerable citizens. Among the reasons North Dakota is recognized as such a strong leader in this field is because of outstanding leadership at the Department of Human Services, the quality of care extended by North Dakota Providers and the important ongoing support of our State Legislature. Without your support, the strength, innovation and

quality of services to people with intellectual/developmental disabilities would not be among the national exemplars. Thank you for all that's been done and all that continues to be accomplished.

I am not here to represent our association of providers, the North Dakota Association of Providers (NDACP) but rather to represent the people supported by CHI Friendship. My comments represent only my organization. My comments are based on my 27 years of service to people with intellectual/developmental disabilities.

Let me start by expressing gratitude to Tina Bay, Director of Developmental Disabilities for the Department of Human Services. Tina should be recognized for her accomplishments and perseverance over the past several years, including but not limited to, the new DD Reimbursement Project, the submission of a new DD Waiver, and the implementation of the Therap Software Project. The heavy lifting she's done is recognized by me and numerous others. Also, I would like to recognize Maggie Anderson, Executive Director of the North Dakota Department of Human Services, for her outstanding leadership in allowing NDACP to be involved in the process of creating the new reimbursement system but, also holding off on the implementation of the new reimbursement system until the potential negative impacts to individuals supported could be further examined. The process has been a long haul for all of us but, it has been an important lesson in collaboration and a commitment to assuring we get it right. We must get it right for the people we support.

I know from experience with implementing new systems there are oftentimes adjustments that need to be made along the way to accommodate diverse constituent needs. Some of the change may be minor whereas other change may require additional analysis to ensure successful outcomes. Some of the change may be positive and some may have negative effects. We must all strive to create the most positive outcomes in the lives of people with intellectual/development disabilities and assure negative impacts are eliminated.

For the past 10 to 12 years, CHI Friendship has made a commitment to support people in a community based vocational program. The philosophy was to do away with our sheltered workshops and allow people to experience real work and other meaningful activities within their communities. This provides the best opportunity to create an inclusive community for all. It allows people with intellectual/developmental disabilities to expand their network of friends and colleagues, hold real jobs, learn skills in an integrated environment and be seen as equal citizens in the eyes of all. We have closed our sheltered workshops in Fargo and Grafton and have over 87% of the people we support employed across the communities. Recently, we received an International Award from the Council on Quality and Leadership for People with Intellectual/Developmental Disabilities (CQL). CQL is an international accrediting organization and accredits hundreds of organizations around the world. CQL accredits all DD Providers in North Dakota. The following is an excerpt taken from the news release from CQL:

CQL | The Council on Quality and Leadership has selected CHI Friendship as a recipient of the 2015 International Awards of Excellence.

The 2015 International Awards of Excellence recognize an organization that demonstrates excellence in the support of people with disabilities. Award recipients were chosen from accredited organizations that utilize innovative and emerging practices in achieving outcomes for people with disabilities, in one or more of the following categories:

<ul style="list-style-type: none"> • Social Capital • Choosing Where You Live • Utilizing Data to Inform the Person-Centered Plan 	<ul style="list-style-type: none"> • Employment • Exercising Rights • Utilizing Data for Organizational Change
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CHI Friendship supports over 350 people with disabilities and has over 400 staff on the eastern side of North Dakota in Fargo, Grafton and Park River. They provide the full spectrum of services which includes individualized comprehensive residential and vocational supports, allowing for full community participation and inclusion in the state of North Dakota.

CHI Friendship has established itself as a pioneer in the area of community-based employment and has developed many ways to provide integrated and meaningful employment opportunities for the people they support. CHI Friendship closed two large sheltered workshops and now supports all people in their day support program in the community. Within all employment programs, 87% of people supported by CHI Friendship are in paid positions, and CHI Friendship supports 30 small businesses owned and operated by individuals with intellectual and developmental disabilities.

CHI Friendship strives to be active in the community in a variety of ways, including community based employment. The community has recognized the people CHI Friendship supports as valuable employees and volunteers as they give back to the community, creating a better understanding and a healthier community, which is of great significance to our field and can have a profound impact on people's lives in the future.

The purpose in bringing this to the Human Service Committee is a concern I have with the new DD Reimbursement Project. The proposed new system does not currently differentiate a reimbursement rate for community based vocational services (non-facility) versus facility based vocational services. From my experience, our current rates are much higher because of the additional cost of increased staffing and transportation. The trend across the disability industry is to move everyone toward community based services. The Center on Medicare/Medicaid Services (CMS) is moving in this direction. We have been working with the DD Steering Committee, chaired by Tina Bay, to try find a solution. DHS has stated *"they would consider having two rates for day program but additional analysis will need to be done to determine what would be the appropriate rate. Additionally, the rate would be paid based on the classification of the location of the program, not the individual. A Clear definition for each program (non-facility vs. facility) will need to be developed and agreed upon."*

I commend DHS for taking this forward thinking perspective into consideration. CHI Friendship and another provider did compare costs with one another. The difference calculated was about 12.5% higher for our community based costs versus their facility based costs. This was a small scale impact study that needs to be expanded. My request is that this study be completed well in advance (6 to 9 months) of initiating the new DD Reimbursement Project. Should the rates be much lower than what we are currently receiving, we would need to reconsider whether we could afford continuing to provide community based vocational services. If the decision was made that we couldn't, it would be a step backwards and not forward in providing supports in the least restrictive environment.

I urge you to provide reimbursement that recognizes the future and significance of community-based services and the significance of funding that allows ongoing pioneering and innovation.

Thank you for your consideration.