

**Investing in Community Living:  
Proposed Olmstead Budget Initiatives for New York State**

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## **Investing in Community Living**

Broad implementation of the Community First Choice (CFC) Option provides the Cuomo Administration with the opportunity to fund initiatives that realize the goals established in the State's historic Olmstead Plan. This paper outlines critical first-year investments New York can make to assure that seniors and people with disabilities can live in the most integrated setting and proposes initial recommendations of action for the following years.

### **Determining Community First Choice Enhanced Revenue<sup>1</sup>**

CFC provides New York State with a base of ongoing enhanced FMAP contribution of \$299 million dollars per year. Assuming implementation of CFC takes place over the entire fiscal year, with 0% implementation on Day 1, and 100% implementation on Day 365, New York State will receive an estimated \$149 million for implementing CFC in the 2015-2016 Fiscal Year. The CFC FMAP will increase as the State achieves the goal of reducing the long term stay nursing facility population by ten percent over five years as established in the State's Olmstead Plan. This annual two percent reduction will generate an additional \$11.4 million of CFC FMAP.

### **Administrative Revenue Offset**

NYS budgeted \$26 million of enhanced CFC revenue in State Fiscal Year (SFY) 13-14. This analysis assumes that the revenue generated by the first year of CFC implementation is reduced by those unrealized funds.

### **Investing in Consumer Directed Personal Assistance Services**

The Disability Community greatly appreciates the Cuomo Administration's commitment to provide bridge funding to cover the cost of overtime and travel for attendants providing consumer directed personal assistance services. CDR recommends that NYS utilize \$30 million of the enhanced CFC FMAP to fully fund this commitment in the FY 2015-16 Budget.

### **Investing in the NYS Office on Community Living**

#### ***Office of Community Living – Operating Budget***

The Disability Community has expressed great excitement at the proposal to create an Office on Community Living (OCL) that brings together aging and disability services. There currently is no specific office devoted to addressing the needs of people with disabilities, so CDR is recommending that the State utilize the CFC FMAP to provide \$1.5 million for an operational budget of a disability office within the OCL to parallel the aging component.

#### ***Office of Community Living Network Infrastructure Development***

Additionally, the State should utilize the CFC FMAP to provide one-time funding, in FY 2015-16 to support the development of a shared IT infrastructure for Independent Living Centers (ILCs) and Area

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<sup>1</sup> A detailed fiscal analysis of the revenue is available at:  
<http://ilny.org/downloads/category/6-advocacy?download=327:cfc-fiscal-analysis>

Agencies for the Aging (AAAs). This investment will support the development of a common IT infrastructure and ensure that these organizations are able to provide “no wrong door” services under the auspices of the reorganized OCL. CDR recommends that the State invest \$2.5 million in this initiative.

#### ***Independent Living Center Base Funding***

Independent Living Centers have been historically underfunded. At present, the 41 ILCs receive as little as no State funding or as much as \$520,210 in State funding. CDR is recommending that all 41 ILCs receive a funding increase so that all of the 41 ILCs have base funding of \$545,000. This will utilize \$10 million of the FMAP generated by CFC.

#### ***Network Technical Assistance***

The AAAs and ILCs provide important services that support community living, but because they provide non-medical services, they have generally not been included in the managed care networks. CDR proposes that the OCL provide technical assistance to all ILCs and AAAs in becoming vendors under managed care. CDR proposes that the State initially invest \$10 million in this initiative and then decrease that funding level across three years.

#### ***Expanding Nursing Facility Outreach***

CDR strongly supports the institutional outreach efforts that have been funded under MFP. We are concerned that the project does not have the funding necessary to accomplish the task at hand. Consequently, CDR proposes investing \$5 million of the 2015-16 CFC FMAP in an initiative designed to incorporate all of the ILCs and AAAs in this outreach network. This assumes a mid-year rollout with funding increasing in each of the succeeding years to \$10 million (2016-17) and \$15 million (2017-18) based on the CFC FMAP realized by the State.

#### ***Establishing Services for Deaf-blind Individuals***

The needs of the Deaf Community should be reflected in the new Office on Community Living. One of the most significant issues that community faces is the lack of community support services for Deaf-blind individuals. CDR recommends that the State utilize \$2.5 million of the CFC FMAP to fund a Support Service Provider (SSP) program to assist those who are Deaf-Blind to live in the community. The annual cost of providing SSP Statewide is currently estimated at \$5 million per year.

### **Investing in Affordable, Accessible, Integrated Housing**

#### ***Housing Subsidy***

Housing issues are a primary reason people remain in nursing facilities and other institutions. CDR recommends that the State fund housing subsidies to support the Governor’s goal of reducing the long-term Nursing Facility population by 10 percent across five years. CDR estimates that the State would need to invest \$5 million of the CFC FMAP in such a housing subsidy for FY 2015-16, and increase that investment each year to promote community reintegration efforts and achieve the goal established in the Olmstead Plan.

### ***Access to Home***

The Access to Home program provides funding for accessibility modifications that assist people to remain in the community. CDR recommends that NYS invest \$2.5 million of the CFC FMAP in the Access to Home Program in FY 2015-16.

### **Investing in Advocacy**

#### ***Funding the Medicaid Managed Care Ombuds Program***

CDR applauds Governor Cuomo for creating the Medicaid Managed Care Ombuds Program. CDR recommends that the State invest \$5 million of the CFC FMAP in expanding that program to assure that people have the advocacy they need to live in the community as the State rolls out managed care.

### **Second Year Investments**

In all, CDR is proposing that the State invest \$100 million of the \$149.5 million in enhanced FMAP in community-based services that will promote successful implementation of the Governor's Olmstead Plan. Full implementation of CFC draws down significantly more federal funding in subsequent years. CDR recommends that during the next year the Cuomo Administration should work with the Disability Community to design and implement several additional initiatives that can be funded in the 2016-17 fiscal year.

First, there is a growing disparity between the wages that are paid by traditional home care and consumer directed programs. To address this increasing barrier to full community integration, CDR proposes that NYS utilize the CFC FMAP in funding a wage parity increase for attendants in CDPAS beginning in the 2016-17 fiscal year.

Second, there are two critical managed care initiatives that can promote community living: a High Needs *Community* Rate Cell and Person Centered Planning in managed care. The State should gather and analyze the managed care data to develop a plan to incentive home and community based services through a High Needs *Community* Rate Cell. Should additional funding outside the existing capitation be necessary, the State would be able to invest CFC FMAP. Additionally, current managed care initiatives focus on service authorization and lack the robust service coordination or case management and flexible funds that have been available to support seniors and people with disabilities living in the community. The State should work with the Disability Community to evaluate how CFC FMAP can be utilized to support Person Centered Planning in managed care. By treating person centered planning as a service funded through managed care and tracking the encounter data, the State will be able to leverage additional CFC FMAP.

Finally, in the 2016-17 fiscal year, the State should invest \$500,000 of the CFC FMAP for Independent Living Centers serving each of the ten counties which the State Plan for Independent Living has identified as priority counties, for a total investment of \$5 million.

### **Conclusion**

These budget priorities do not exhaust the funding brought in by CFC. When the State fully implements CFC in this fiscal year, and allocates all of the above budget priorities, it will still net an estimated \$49.5 million in CFC funding in the 2015-16 Fiscal Year. That amount increases significantly during the succeeding years, allowing the State to make additional investment in community living. The enhanced FMAP from CFC represents a tremendous fiscal opportunity as well as a way for disabled New Yorkers to exercise their civil rights to live and work in the most integrated setting possible.

<b>Summary</b>	<b>(figures in millions)</b>
<b>Administrative Revenue Offset</b>	
Recoupment from 2013-14 CFC allocation <i>Address unrealized funds from last year's budgeted CFC revenue in this year's CFC enhancement.</i>	(\$26.00)
<b>Consumer Directed Services</b>	
CDPAS travel and overtime funding <i>Ensures continuity of service by funding overtime and travel pay for CDPAS attendants.</i>	(\$30.00)
<b>Office on Community Living</b>	
Operations budget <i>Creates a new State office to address the needs and challenges of community living for elderly and disabled New Yorkers.</i>	(\$1.50)
Shared infrastructure grant for ILCs and AAAs <i>Establishes a shared infrastructure for the ILCs and AAAs under the auspices of the new OCL.</i>	(\$2.50)
Establishes base State funding at \$545,000 per ILC. <i>Enables the ILCs to provide additional services and meet increased demand for community living services.</i>	(\$10.00)
Technical assistance to ILCs & AAAs <i>Ensures that ILCs and AAAs can access needed support for providing services under managed care.</i>	(\$10.00)
Nursing facility outreach <i>Expands the MFP outreach project to include funding for all ILCs and AAAs to conduct outreach to people in nursing facilities and other institutions.</i>	(\$5.00)
Statewide Deaf-blind support service <i>Funds a Support Service Provider program to assist those who are Deaf-Blind to live in the community.</i>	(\$2.50)
<b>Managed Care</b>	
Expand Ombuds Program <i>Increases funds to the Managed Care Ombuds Program to support people with disabilities and seniors who want to return to or remain in the community.</i>	(\$5.00)
<b>Housing</b>	
Housing subsidy to support community reintegration <i>Provides a housing subsidy to support the Cuomo administration's goal to reduce the nursing facility long term stay population.</i>	(\$5.00)
Access to Home <i>Funding for accessibility modifications to ensure people remain in the community.</i>	(\$2.50)
<b>TOTAL EXPENDITURES</b>	<b>(\$100.00)</b>
<b>CFC ENHANCED REVENUE</b>	<b>\$149.5</b>
<b>NET CFC FUNDING</b>	<b>\$49.50</b>