

## MEMORANDUM

DATE: July 21, 2010

TO: All Interested Parties Concerning the DD Waiver Renewal

FROM: Cathy Stevenson, Deputy Director Developmental Disabilities Supports Division

RE: DD Waiver Renewal Process

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Thank you for your interest in the Developmental Disabilities Waiver program. As you know, the Department of Health will be making some changes to the program this coming year. Some of these changes are needed to maintain services to people already in the program and to begin to provide services to others who have been waiting for many years. We are also looking at improving how some services work. In addition, we must be sure the program complies with the Center for Medicare and Medicaid Services (CMS) rules in order to continue to receive the federal share of program costs. CMS currently pays about 80% of the cost for direct services.

There are several reasons change is needed at this time.

- Authorization for the current waiver program will end on June 30, 2011
- A new waiver application must be submitted to CMS in March 2011
- The current program is not sustainable:
  - Projections indicate that in FY11 (July 2010 –June 2011) per person costs could exceed available resources by millions of dollars.
  - Federal funds to the pay for services are scheduled to be reduced beginning in January 2011. State funds are not budgeted to replace them.
  - The current assessment process and tool are not working. Over half the people currently in services have been assessed and funded at the highest level of care (LOC1). A functional process would result in a level of care distribution with most people falling into the moderate need category.
  - More than 91% of adults on the waiver use some type of residential service of which only 9.5% are using the Independent Living option. Thus most adults are receiving the most expensive and most restrictive support options. Not everyone currently getting residential services needs this level of support.
  - All available resources are used by the 3800 people currently on the waiver. There are more than 5,000 people waiting for services.

In order to maintain the DD Waiver program, the state must address these issues. Some decisions about next steps have been made. For example:

- A new assessment tool and process will be phased in as part of the waiver renewal process.
  - This process will be an independent assessment, but will use information from families, guardians, service providers and others who know the person well.
  - Our research indicates that the Supports Intensity Scale developed by the American Association for Persons with Intellectual and Developmental Disabilities (AAIDD) is a good instrument for this purpose. It has been used successfully by many other states to accurately identify the support needs of people with developmental disabilities.
  - The goal is to provide the level of paid support that people need – no more no less.

A variety of other potential changes related to specific models of service and ways to pay for services are still being considered. The state has established a DD Waiver Renewal Task Force to help with this process. To learn more about the task force and their work go to:  
<http://www.health.state.nm.us/ddsd/resourcesupportbureaupublications/DDW/DDWaiverRenewaIUpdate.htm>

You can send your ideas and comments to the Task Force and the State

- via our website email at [SANTAFEmailbox.ddsd@state.nm.us](mailto:SANTAFEmailbox.ddsd@state.nm.us),
- by email to Dr. Elizabeth Kennedy at [elizabeth.kennedy@state.nm.us](mailto:elizabeth.kennedy@state.nm.us) or
- by regular mail to  
Dr. Elizabeth Kennedy  
810 San Mateo  
Santa Fe, New Mexico 87504

Regional meetings will be held in the fall to provide updated information and get feedback before we finalize the waiver application. Information about these meetings will be on the DDSD website (listed above) and will be publicized locally in each region.

We look forward to working with waiver participants, people on the waiting list, family members and friends, service providers and others who care about this program as we move forward with the renewal process.