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Assembly
California Legislature

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May 25, 2021

Received
05/25/2021

Assemblymember Rudy Salas Jr.
Chair, Joint Legislative Audit Committee
1020 N Street, Room 107
Sacramento, CA 95814

RE: Request to Audit In-Home Respite Services

Dear Chair Salas:

The Lanterman Developmental Disabilities Services Act (Lanterman Act) mandates the state to provide services and supports to persons with developmental disabilities and their families, with the intent to promote opportunities to lead more independent, productive, and satisfying lives as part of the community in which they live in. Put forth in the spirit of ensuring that the state's service system is designed to meet the complex needs of individuals with developmental disabilities, I respectfully request approval of an audit to review the delivery of the in-home respite program overseen by the Department of Developmental Services (DDS).

DDS provides services to over 330,000 consumers through contracts with 21 nonprofit regional centers. Approximately 80% of DDS consumers reside in the home of a parent or guardian, making family support services instrumental in maintaining consumers at home to delay or avoid costly institutionalization. In-home respite care includes intermittent or regularly scheduled non-medical care and supervision needed to safeguard the consumer's safety in the absence of family members. Respite care temporarily relieves family members from the constantly demanding responsibility of caring for the consumer, without which, caregivers are vulnerable to depression, anxiety, and stress that can impact their ability to continue in the caregiving role.

DDS has three in-home respite care delivery models to offer consumers more choice and control over the care they receive. The three care delivery models are: agency mode, employer of record, and financial management services (FMS). The rate of reimbursement for each delivery model factors in the degree to which a consumer or family member is involved in the provision of services; the rate is reduced when a consumer or family member takes on greater employer responsibilities such as recruiting, hiring, and supervising the respite worker.

The most utilized care delivery model is the agency mode, which provides full service to consumers. The agency performs employer responsibilities (from recruiting to paying respite workers) without involving the consumer or family member in the process. Payment for services are based on the schedule of allowable range of rates established by DDS. The current lower and upper limits are set at $22.32 per hour and $30.85 per hour, respectively. The temporary rate of $26.73 per hour is reserved for newly-vendored respite agencies.

The employer of record model, on the other hand, is similar to the agency model with one exception-the respite agency hires an individual identified and recruited by the consumer through their own network. With the modified employer duties, respite agencies are then paid a negotiated rate that is slightly lower than the agency model hourly rate to account for reduced recruitment costs.

The third model, FMS, is the least utilized delivery mode among consumers. FMS was created pursuant to new regulations which prevented direct payments to consumers or family members for procuring respite services. While FMS is comparable to the employer of record model, it is primarily focused on carrying out payroll and disbursement duties including other legally mandated employer obligations, thereby giving consumers more autonomy to manage or direct their own care. Unlike the first two models, the FMS agency rate and the respite worker rate are separate and prescribed in state laws. The respite worker rate is currently at $19.18 per hour which includes payroll taxes and other costs.

State law requires regional centers to promote equity and reduce disparities in expenditures. Prior to the COVID-19 pandemic, 22% of authorized respite care services were left unused by consumers and families. Although the pandemic has heightened the need for family support services because the usual supports of schools, day services, and other programs have either been redesigned or suspended, the disparity in rate of service utilization has increased to 27% at the end of fiscal year 2020-21. The growing gap between authorized services and purchase of service expenditures for respite care demonstrates that barriers to consumer's utilization of authorized services exist, and underscores an inequity in access to services. To address the low utilization rate, the state should do more to assist consumers and families with the difficult task of finding suitable, flexible, and culturally competent respite workers.

It is for these reasons that I am requesting an audit of the delivery of in-home respite services. The benefits of the FMS model warrants a review to address inequity in service access. FMS is the most cost-effective model between the three models. The mere transition of some respite services from an agency model to an FMS model, if appropriate, would generate savings from $3.14 to $11.67 per service hour to regional centers.

More importantly, the FMS model provides a greater degree of control, choice, and flexibility to consumers, contributing to its high utilization rate compared to the respite agency model. Under the FMS model, the consumer retains the decision to hire and supervise the respite worker of their choice - one who is familiar, culturally-competent and able to provide the

customized care they need. In other words, FMS provides the most cost-efficient structure to recruit respite workers who would not ordinarily enter the field to care for a friend or family member with a developmental disability. Specifically, I ask that the audit cover the following scope:

1. Review and evaluate the laws, rules and regulations significant to service authorization for in-home respite service.

2. Choose 2 regional centers with at least 25,000 consumers and compare those to 2 regional centers with at least 1,000 consumers who receive service code 465 (participant-directed respite) and determine the following:

    a. Whether regional centers comply with the laws, rules and regulations that governs service authorization for in-home respite service.

    b. Whether regional centers apply monthly or quarterly limits on in-home respite service authorization.

    c. Barriers to consumer's utilization of authorized in-home respite services.

    d. Whether there is service authorization and purchase of service expenditure disparity between regional centers based on race or ethnicity of the consumer, primary language spoken by the consumer, age of the consumer, diagnosis, residence type, and service delivery mode.

    e. Identify the reason(s) for low utilization rate of the FMS model.

3. Evaluate the benefits of the FMS model and provide recommendations to improve the delivery of in-home respite program.

Thank you for your consideration of this request. Should you have any questions, please contact Martin Vindiola, Associate Consultant at martin.vindiola@asm.ca.gov.

Sincerely,

ASH KALRA
27th Assembly District