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## **Written Testimony for the Senate Committee on Deficit Reduction March 10, 2009**

### ***What areas of the state budget are you interested in protecting and why are those areas important?***

Community services and supports for persons with developmental disabilities and mental illness are critical safety net services for the state's most vulnerable citizens. By statute, the state has pledged its commitment to support these populations and they have contracted with private providers to meet that commitment. Not only are these services critical to support the personal goals for independence and recovery but in these difficult times, the demand for community services rises due to increased anxieties of individuals and families and decreased opportunities for work. The DD community system underwent cuts to their grant programs this fiscal year – approximately \$4 million. Many of the individuals served by the grants receive employment supports and assistance to achieve integration in the community. If the FY10 budget abandons the state's commitment to serving persons with developmental disabilities or mental illness – or even backs away from it – there is strong evidence to say that the state will end up paying more as individuals without their typical supports resort to more expensive modalities of service – emergency rooms, county jails and prisons. Additionally, without resources to continue to meet the state's legal responsibility to support persons in the least restrictive setting of their choice, community providers will no longer be able to accept more significantly involved persons from state operated facilities. Further, the community residential dream of settings of four or fewer become less and less likely as providers are forced to make four-beds into five; six-beds to seven or eight in order to make the option of community homes even viable.

### ***What revenue enhancements would you recommend be implemented to support those areas?***

It is hard for an outsider to project the best revenue sources and how to use them. We are aware of various ideas to generate revenue and have been on record in support of revenue enhancement that supports human services. We worked with the Center for Tax and Budget Accountability to craft revisions and discussions of SB750/HB0855 (current bills) and provided data on the community human services impact. IARF even developed legislation in 2008 (SB 2056), that in combination with the then SB/HB 750, would provide an annualized CODB for human service providers.

IARF has had discussions with its Board about the need to support new revenue proposals that preserve and enhance funding for vital disability and mental health services. It is our intention, when we analyze Governor Quinn's introduced FY10 budget and the revenue proposals to support it, to actively work with the boards of directors of every member agency to seek their endorsement of those revenue proposals. That is assuming community services and supports needs are addressed in the FY10 budget.

### ***What reforms would you recommend in state-provided healthcare services to save taxpayers' money and improve access to services?***

Illinois should use monies allocated to states in the American Recovery and Reinvestment Act of 2009 (ARRA) to invest in Electronic Medical Records for community services as well as other healthcare settings. Community mental health centers have advocated for the implementation of EMR in those settings. The barrier is the cost of purchase and implementation. With the stimulus monies, the state could purchase necessary licenses, equipment and the cost of installation and training for CMHC that it contracts with to streamline patient records and the potential fraud that exists when individuals move from provider to provider. The EMR also can enhance services for individuals with developmental disabilities as they transition from state operated facilities to community settings and from provider to provider in waiver settings.

### ***How can the state improve service delivery while reducing expenses?***

IARF supports the closure of Howe Developmental Center. The closure of Howe presents the state of Illinois with a unique opportunity – individuals can be served in less a restrictive environment in the community and the state can receive federal

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Medicaid match for those community services through existing waivers. Right now Illinois is losing \$30 million in federal match annually due to Howe's decertification. That \$30 million could be re-invested into community services and Illinois would collect an additional \$15 million in federal match from maximizing its Medicaid dollars. At a minimum, the state should conduct a third-party service and support assessment review to determine what supports individuals in state operated facilities need and how to provide those most effectively.

Illinois can improve service delivery while simultaneously reducing expenses by investing in an electronic medical records system. Research has shown that electronic medical records improve the quality of patient care, decrease medical errors, and produce positive financial returns on investments. The major barrier to electronic medical records is the cost of purchase and implementation. With the stimulus monies, the state could purchase necessary licenses, equipment, and the cost of installation and training for community agencies. Some areas where Illinois would see a cost savings are alternative drug suggestion reminders (notification when generics are available), reduction in adverse drug effects, reduction in billing errors, reduction in medical errors (illegible prescriptions), and reduction in unnecessary laboratory tests.

***What deficit reduction measures do you support?***

Community human service organizations are economic engines in their towns and cities. When times are good they are often one of the top employers in their areas, returning millions of payroll and purchasing dollars into the local economies. They also provide services and supports that are primarily Medicaid reimbursable generating hundreds of millions of dollars in federal claiming. When times are bad and the economy slumps, Medicaid FMAP is often increased as it has been for the next two years to ensure accessibility and benefits are not jeopardized. As a result of the temporary FMAP increase included in the ARRA, we know that services provided to persons who are developmentally disabled will generate an additional \$250 million in FMAP (\$9.3 million a month) during the 9 federal fiscal quarters of the authorized increase (through December 31, 2010). Mental health services will generate additional FMAP during these 9 federal fiscal quarters as well. This additional FMAP should be reinvested back into the system. This reinvestment, which could take the form of increased rates and reimbursements for services or improve the payment delays for these services, would mean additional funding that could be used to enhance services, increase pay for direct-support/non-executive staff, and fill much needed staff vacancies, which in turn would mean more money invested in the local economies.