ANCOR LINKS
Funding and Financing
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Funding and Financing: Where We Stand

As this issue lands in your inbox during these dog days of summer, we hope you have had an opportunity to recharge your batteries, because we are going to need your full attention.

To begin with, if you have not already registered for ANCOR 2012 Leadership Summit: *Financing and Funding—From Crisis to Sustainability*, October 1–2, please block out your calendar and join us. The topic is incredibly timely, and the work before us is sobering.

ANCOR leadership and staff have been given a tall order: to become part of the solution. But in order to be successful, we are going to have to count on our membership to step forward and actively help us craft responsible, sustainable proposals to submit to Congress and the Administration.

The summit will help advance us toward that goal, involving speakers and attendees in actively shaping reform proposals and providing participants with the knowledge needed to mobilize our troops into action.

Dodging the Bullet

Why is this so pressing? Last fall, the nation's federal deficit was the dominant political issue in Washington. The debate and subsequent developments were of enormous import to the disability community as expenditures for federal entitlement programs—including Medicaid—came under scrutiny by both sides of the political spectrum as potential areas for cost-containment measures.

ANCOR members and other advocates—already deeply wearied from fighting multi-year, state-level budget cuts—responded to the calls to action, and entitlement programs escaped the budget-cutting knife when the "Super Committee," which was tasked to cut at least $1.5 trillion over the coming 10 years, failed to come to agreement. Their failure triggered across-the-board cuts equally split among security and non-security programs that exempted the entitlement programs—at least for now.

A Brief Respite

Although $25 billion in federal discretionary spending is required to be removed from the budget, cuts may not take place until 2013, and a new Congress could vote to eliminate or deepen all or part of them.

Although we collectively drew a huge sigh of relief that cuts to Medicaid funding were avoided, we were likely given only a brief respite. Regardless of the outcome of the November federal elections, Medicaid expenditures will emerge center stage as one of the major targets for budget cutting proposals—from both sides of the aisle.

So what does that mean for us—both ANCOR staff and its membership? It means we do not have a day to waste. We cannot afford to be passive and await the outcome of the elections. We cannot be dulled into thinking that because we dodged a bullet to the head last time, we can remain on auto-pilot this time.

We have a mandate to do all that we can to protect and preserve quality home and community-based services for the people we serve, and that translates to the need to take action on several fronts—to promote innovation, share best practices and preserve and protect vital funding for quality home and community-based services.

What ANCOR Is Doing

ANCOR is taking action. We have launched Medicaid Values People, a nationwide initiative under the National Advocacy Campaign, to protect critical funding and present alternatives to policy makers to promote greater efficiency, better outcomes and lower costs; we have convened a group of ANCOR members to serve on the Sustainable Medicaid Project, who will be assisted by Maureen Corcoran with the development of proposals; and we will be at the table in Washington, fighting to ensure that if Medicaid is to be reformed, it will be reformed in a manner that ensures sustainability and finally gets us out of crisis mode.

We cannot afford to be passive and await the outcome of the elections. We cannot be dulled into thinking that because we dodged a bullet to the head last time, we can remain on auto-pilot this time.

But the truth is that we are only as good as our membership, which is why we will need you like never before. ⬣

Inside this Issue of LINKS:

Building a World of Abundance

By Renee Pietrangelo
ANCOR CEO

According to *The Fiscal Survey of States*, a report jointly released by the National Governors Association and the National Association of State Budget Officers, states will continue to face significant fiscal challenges, with Medicaid continuing to outpace overall general fund expenditures.

Medicaid remains the single largest portion of total state spending, estimated to account for 24 percent in FY 2011, the last year for which data is available. Over the past 10 years, the growth in state spending on Medicaid has exceeded the growth in all other categories of spending, including twice as much as the growth in education spending.

This is a grim picture, to say the least, and it is why ANCOR has launched a full-court press through its Medicaid Values People (MVP) initiative—to minimize cuts to critical home and community-based services funding for people with disabilities. Therefore, your financial support for the National Advocacy Campaign, which is the umbrella for the MVP initiative, is critical.

That is undeniably one side of the "futures" coin.

The other side is the concomitant need to capitalize on opportunities inherent in the Affordable Care Act, while at the same time focusing on solutions for more efficient and cost-saving strategies for continuing to deliver quality supports and services in communities of choice.

An integral component of solutions strategies is technology. Vint Cerf, considered one of the fathers of the Internet, is absolutely positive about the future of networks and sensors to save time and money.

He stresses that as powerful as these advances will be in impacting personal lives, that impact is dwarfed by the business potential. By streamlining and networking multiple activities and minimizing wasted time and effort, efficiencies will go through the roof.

"The Internet of things," says Cerf in a recent issue of The Futurist magazine, "holds the promise for reinventing nearly every industry—how we deliver products and services, how we control our environment, and how we distribute and use human and other resources.

Renee Pietrangelo

When the world around us becomes fully connected and effectively self-aware, it will drive efficiencies like never before. It's an enormous step toward a world of abundance."

Our mindset right now is all about scarcity and limitations; whereas, a mindset of abundance is profoundly and fundamentally affirming and motivating. How we play the two sides of the futures coin will determine the true currency of supporting people with disabilities to realize their full potential and aspirations. ⬣

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Inside This Issue of LINKS

Preferred Provider Status?

By Wendy Sokol
ANCOR President

Arizona has been operating under a managed care model for more than 20 years, and in May 2012, Arizona was recognized as the best performing state for how its Medicaid program services its citizens with disabilities.

The annual ranking was released in a report titled, *The Case for Inclusion 2012*, compiled by United Cerebral Palsy. The group has issued the annual ranking since 2006.

According to the UCP report, Arizona took the top spot for its continued success through its Department of Economic Security's Division of Developmental Disabilities (DDD), which helped its residents with disabilities to live independently, whether with a family member or on their own with assistance.

DES Director Clarence Carter said there are two reasons for the success of the Arizona model: the model allows people to maintain their independence, and it saves the state and federal government's money by providing as-needed services rather than full-time, around-the-clock care.

Arizona was also recognized for its efficiency with funds. According to UCP, Arizona ranked 47 for its per-person spending. DDD officials credit this to the collaboration between their division which functions as a managed care organization MCO, the state Medicaid program and the Arizona Long-Term Care System (ALTCS). This collaboration allows for direct support services to be provided at a citizen's home.

Prior to ALTCS, the majority of funding was directed to support individuals in expensive out-of-home settings like care facilities. The managed care model is used to coordinate and provide services to people with developmental disabilities and people with physical and age-related disabilities in the state of Arizona.

A provider might feel that offering services in the "Best Performing" state might allow some protection of the current system. This, however, is not the case.

In June, providers who offered in-home supports to people with physical and age-related disabilities were shocked to learn that if they contracted with one of the largest of the three state MCOs, they were not only going to receive another 5% rate cut, but there was going to be a reduction in the number of providers. Some providers would be offered a "preferred provider" status. This would allow the provider to continue to receive new referrals.

If the provider was not offered the preferred provider status, then they would receive no new referrals. They would virtually be frozen and forced out of business. Some providers received a letter notifying them that in 90 days, their contracts would not be renewed. It is rumored that the second largest MCO in the state of Arizona is following suit.

In October, providers anticipate that they will receive another 5% cut plus implementation of the provider reduction through the preferred provider model. This is a trend that I anticipate to spread to other states as they adopt the MCO model.

By decreasing the provider pool, MCOs are better able to control costs and build increased efficiencies into their system. It is more cost-effective to contract, monitor and maintain relationships with a smaller pool of providers. It also has the potential to increase cost-effectiveness for providers.

This is a new phenomenon that has not been observed anywhere else in the United States.

Imagine if you had heard that the "preferred provider" letters were being distributed, and you do not receive an offer. What if you are a small for-profit, and your agency employees less than 100 people but your agency also represents your financial security? What if it is your only retirement plan?

Throughout the history of community-based service delivery, providers have always felt secure in thinking that as long as we deliver good, quality services, we will continue to receive funding. This is no longer a true premise, and small providers would be wise to consider merging to increase efficiencies and establish a significant presence in their community.

It is also critical to stay closely connected to your provider network or state association. MCOs are less likely to attempt reduction of providers if the providers are united and collectively protected by the shared identity of an association.

Unfortunately, this was not the case for providers in Arizona who offer in-home services to people with physical and age-related disabilities, for whom there is no unified provider association.

Your association will also be the best conduit of information regarding potential cuts. It is much easier to implement cuts over a number of months than to do it with a short turn around.

Wendy Sokol

Finally, check your contracts and be very aware of what is the specific timeline that your funding source must follow regarding discontinuation of the contract.

Brace yourself; changes are coming! ⬣

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ANCOR Services Corp.
Shared Resources Purchasing Network

What Members are Saying about the SRPN

"When OHI began refitting a house originally designed to serve children to one capable of supporting adults with complex medical needs, we knew we needed new furniture. We turned to ANCOR's SRPN Program for a company to help us. We found that Furniture Concepts has everything from office supply cabinets to couches, tables and chairs for living areas. We even ordered all our mattresses through them.

"Sharon Adams, Furniture Concepts' sales rep, understood OHI's need to have our refitted facility look and feel like a home, not an institution. Their products have allowed our DSPs to focus on supporting the people living in the home, rather than cleaning and maintaining the home and furnishings. To me, that is what good design is all about."

—Margaret Longsworth
Director of Clinical Services, OHI

The New Normal—Are We There Yet?

ANCOR's 2012 Environmental Scan

By Diane McComb
ANCOR Liaison to State Associations

This country may be moving out of the greatest recession in our lifetime, but some of us can hardly tell. Its hold on the global economy is unparalleled.

The most recent Bureau of Labor Statistics report indicates that although job creation is occurring, it is doing so at a snail's pace.

The most recent analysis by the Center for Budget and Policy Priorities articulates that state budget estimates for the upcoming fiscal year show that states still face a long and uncertain recovery. For the state fiscal year 2013—which begins July 1, 2012—30 states have projected or have addressed shortfalls totaling $49 billion, and as of the third quarter of 2012, state revenues remained 7 percent below pre-recession levels.

In previous years, states resorted to unimaginable cuts to restore balance to their budgets with aggregate shortfalls exceeding $530 billion, and almost all slashed human service programs to historic levels.

States previously accommodated the lack of revenues and increased demands for social services by slashing programs, reducing the safety net and cutting state jobs. Education, once held as the sacred cow, was also cut in many states. Many ANCOR members have seen reduced rates, elimination of state-only funded programs, growing waitlists and delayed payments.

Analysts agree that states will continue to struggle, and it will take years for the country as a whole to recover. Providers of LTSS to people with disabilities will need to muster creativity and resolve to emerge from this recession intact.

We now understand that the economic growth and perceived prosperity of the late 1990s was fraught with denial and inflated information, and our best financial prospects for future stability will likely be held at a rate of 2% to 3% per year. This, coupled with projections of a limited and shrinking DSP workforce, will be our greatest challenge moving forward.

States' Budget Statuses

Several trends emerged from the 2012 state share survey of ANCOR's community agency state association members, including ramifications for community agencies providing long-term supports and services (LTSS) to people with disabilities and their families.

ANCOR members report state budget shortfalls in the following states: Alabama, Arizona, California, Connecticut, Florida, Illinois, Kentucky, Louisiana, Maryland, Massachusetts, Missouri, Nebraska, Nevada, New York, North Carolina, Oklahoma, Rhode Island, Washington and Wisconsin.

State governments are challenged in significant ways, including the elimination of the stimulus funds last June, a sluggish employment recovery that has boosted Medicaid and food stamp enrollment and figuring out how to implement the Affordable Care Act to enroll uninsured adults by 2014.

The next two years are very challenging, and the ability of states to sustain Medicaid is in peril. Thirty states are projecting budget shortfalls this year, but this is compared to 49 states three years ago; so despite how it feels, the recession is waning nationally.

As of July 1, 2011, the cumulative budgetary shortfall across all states was $175 billion and remedies were scarce. States could either raise revenue (taxes) or cut spending.

Thirty states are projecting budget shortfalls this year, but this is compared to 49 states three years ago; so despite how it feels, the recession is waning nationally.

During the prior two years, the shortfall was an additional $200 billion, which states resolved by raising taxes by $30 billion, cutting spending by $70 billion and using American Recovery and Reinvestment Act stimulus money totaling $100 billion.

States' Responses to Fiscal Pressures

A number of states are engaged in redesigning their Medicaid programs. Some of these activities include implementing rate reductions to providers and scaling-back benefits. Many are transforming LTSS with an increased movement toward integrated systems of care, holistic approaches and payment reform driving systems change.

Among ANCOR members, only 26 states report balanced state budgets going into FY 2013. When asked how FY 2013 budgets compared to FY 2009 budgets (pre-recession), 21 reported funded at levels lower than FY 2009 (17 were higher, and five were about the same). Further, 12 reported funding levels are less for FY 2013 over FY 2012.

Diane McComb

Only five states reported new taxes or fees being passed in their legislatures to assist in sluggish revenue collections: California, Delaware, Maryland, Nevada and Rhode Island). At the same time, nine states (Florida, Indiana, Kansas, Maine, Minnesota, North Carolina, Nebraska, Oklahoma and South Carolina) reported cuts made to state income and other taxes.

While 26 states reported no service reductions this year, the District of Columbia, Illinois, Missouri, Mississippi, North Carolina, Nebraska, New York, Oregon and Pennsylvania did, and seven were uncertain at the time of data collection.

The Impact of DOJ and Litigation

Seventeen states reported a Department of Justice presence related to Olmstead violations (Connecticut, the District of Columbia, Delaware, Florida, Georgia, Kansas, Missouri, Mississippi, North Carolina, New Jersey, Oregon, Utah and Virginia), wait lists (Florida, Kansas, Mississippi and Utah) and other reasons (Delaware, Illinois, Maryland, Nebraska, Tennessee and Virginia).

Litigation is occurring in 20 states for reasons surrounding Medicaid rate cuts (California, Florida, Minnesota, Pennsylvania and Rhode Island), wait lists (Florida and Illinois) and a myriad of other issues (California, Connecticut, the District of Columbia, Illinois, Minnesota, Missouri, North Carolina, Oregon, Rhode Island, Tennessee, Vermont , Virginia and Washington).

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Managed Care Is Expanding

Typically, disability groups oppose the use of managed care in the delivery of LTSS. Principles held dear by the disability community, such as person-centered planning and individual budget authority, challenge thinking as to how they will play out in a managed care framework. Yet, increasingly states are moving forward with a variety of capitation funding strategies.

It is critical for disability stakeholders to be at the table when discussions take place in states rather than just advocating to be carved out.

States are seeking ways in which to curtail spiraling costs and shift the onus for quality onto managed care companies. We must be present to define the parameters of quality, the expected outcomes and standards of measurement—especially for non-clinical outcomes associated with LTSS.

Twenty-one states report new managed care initiatives to include people with disabilities for at least acute care Medicaid. Twenty states have submitted or are planning to submit proposals to integrate care for people dually eligible for both Medicaid and Medicare: California, Colorado, Connecticut, Illinois, Massachusetts, Michigan, Minnesota, North Carolina, New Jersey, New York, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, Tennessee, Texas, Virginia, Vermont, Washington and Wisconsin.

Fourteen (Arkansas, Connecticut, the District of Columbia, Illinois, Kansas, Maine, North Carolina, New Jersey, New York, Ohio, Rhode Island, Vermont, Washington and West Virginia) have proposals for creating health homes with several including people with intellectual and developmental disabilities.

We must do a better job of managing expectations as funding shifts and programs change. We are up to this challenge.

Six (Connecticut, Maryland, New Hampshire, New Jersey, Ohio and Texas) are pursuing the Balanced Incentive Payment Program to shift funding away from nursing facilities and ICFs to community settings, and three each are pursuing 1915 (i) state plan amendments (Kentucky, Minnesota and North Carolina) and Community-First Choice (Maryland, Minnesota and Texas) options.

Sixteen states are actively creating health exchanges (California, Colorado, Connecticut, the District of Columbia, Illinois, Maryland, Massachusetts, Mississippi, Nevada, Oregon, Rhode Island, Utah, Vermont, Virginia, Washington and West Virginia).

Future Uncertainties

A few years ago, we heard talk about "the new normal," and it now begs the question, "Are we there yet?" There are so many uncertainties looming one would have to argue, "Probably not."

This year, we have both federal and multiple state elections, the recent Supreme Court ruling on the Affordable Care Act, pending federal cuts to Medicaid and a still unmanageable federal deficit.

States are scrambling to control Medicaid costs through managed care, accountable care organizations, primary care case management and coordinated care programs. Federal agencies are pumping out proposed changes to rules for companion care, employment supports and the definition of community for home and community-based services programs.

ANCOR members must stay focused and challenge assumptions. We must educate people with disabilities and their families to understand the changes ahead. We must do a better job of managing expectations as funding shifts and programs change. We are up to this challenge. ⬣

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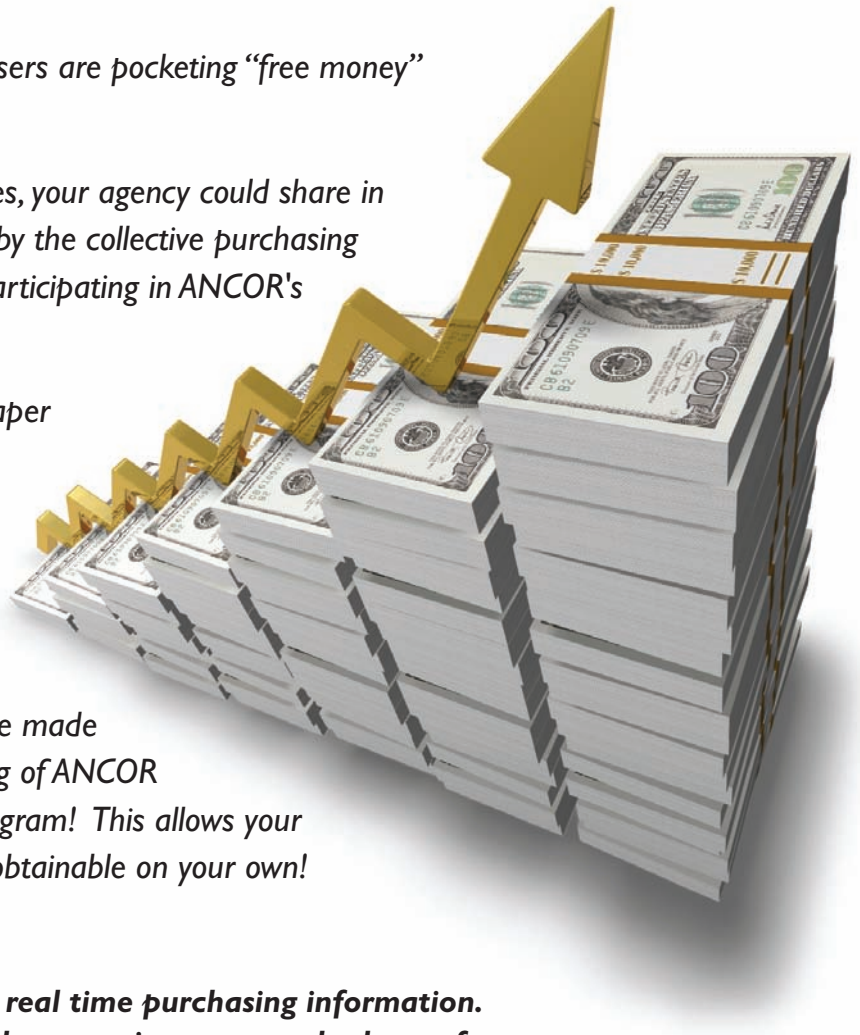

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> *–Chuck Sweeder, Keystone Human Services*

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Inquiries can also be directed to Marsha Patrick, ANCOR's Director of Resource and Revenue Development at mpatrick@ancor.org.

Providers Share:

How is your organization preparing for budget changes in your state?

"In Iowa, DHS has been given a significantly greater role in directing the system through redesign. Therefore, we will be looking to see how they administer a system that is more centralized than the county-based system that we are moving away from. Many changes—so we'll stay tuned."

—John Severtson, Opportunity Village

"Telemedicine, bonuses instead of budget increases, holding down employee numbers, creative regulation changes."

—Cindy Mahan, Friendship Community Care

"We are fortunate that in every state, we have program budgets remain level or actually include small increases. That being said, inflation makes level funding, even at the current very low level of inflation actually equal reductions. Food and fuel being some of the areas that have inflated most rapidly are major components of our costs.

"By making good use of weatherization programs available and a large commitment to solar, we actually reduced our energy costs a measurable amount in the last three years. This is offsetting some of these issues."

—Marty Lampner, Chimes

"We continue to streamline everywhere we can. We no longer match our 401(k); health insurance matching by the employer has been reduced. Programs have closed to eliminate any existing vacancies."

—Marsha Colegrove, Danville Services Corp.

"Educating families on the upcoming need for more unpaid supports to be included in peoples lives. Recruiting more volunteers."

—Brad Saathoff, Black Hills Works

"Increasing our fundraising efforts. Looking for other revenue diversification opportunities so we aren't so reliant on Medicaid. Working to involve families and the community so people supported can still have opportunities but they will be provided by folks outside of our staff. On-going assessment of expenditures. On-going assessment of services that do and do not cash flow and determine what we can and cannot continue to offer moving forward.

—Anne Rieck McFarland, South Dakota Achieve

"Just trying to keep informed of what's coming and hopefully be able to adapt."

—Joe McAdams, The Community School Inc.

"Right now it is not clear what the payment for services will be, so it is difficult to 'prepare.' DHS says that they will spend at the current appropriation level, but it is obvious that some of the services in the new system will cost more. Our approach is to stay abreast of proposed changes and react to it as the system/funding decisions are made."

—Rita Taunton, Creative Housing III

"Conduct grassroots campaigns to educate lawmakers on the consequences of cuts; look for efficiencies to share with member agencies; advocate for less burdensome administrative requirements."

—Suzanne Sewell, Florida ARF

"Collaborations with other organizations to prepare for cuts/ reorganizations and restructuring. Becoming more person centered in our service delivery options."

—Laura Gawel, Aspire of WNY

"We are one of 21 agencies selected in the state to pilot managed care via a case study approach. While not all of the information and direction has been received, this will give us the opportunity to pilot managed care prior to full implementation.

"We are also strengthening the diversity and quality of our service menus. Retraining from the Board level to our DSPs is occurring to prepare for what we believe will be a major paradigm shift from traditional services to other approaches of providing supports to people and families with DD."

—Stanfort J. Perry, Arc of Onondaga

What is MVP?

The Medicaid Values People (MVP) initiative—a part of the National Advocacy Campaign—is a policy and grassroots organizing effort that strives to preserve the Medicaid lifeline that is vital to ANCOR providers, the people they serve and Direct Support Professionals.

After years of experiencing cut after compounding cut at the hands of diminishing state budgets—and now with federal Medicaid funding in the crosshairs of congressional budget cutters—ANCOR is focused on preventing cuts to federal Medicaid funding, while offering solutions that lower the cost while improving services. The grassroots campaign will complement our lobbying effort, reminding lawmakers that there is a large constituency that depends on Medicaid and is counting on their support.

Here are the objectives and strategies of the initiative:

Objectives

- Minimize harmful cuts to federal Medicaid and cost shifting to states, providers, individuals with disabilities, and the Direct Support Professionals.
- Reform Medicaid to ensure the continued sustainability.
- Increase public support of the Medicaid program and the value of community living.
- Increase awareness and support of community providers and the role they play in their communities.
- Engage members in a successful advocacy effort.

Strategies

- Advance Medicaid reform principles that include solutions for cutting costs while improving services.
- Increase, educate and mobilize ANCOR's grassroots network.
- Engage in direct lobbying by ANCOR (staff, lobbyists) to educate members of Congress, in particular, about Medicaid and the specific effects reductions will have on individuals with disabilities *and* solutions to the sustainability of the program.
- Employ a comprehensive PR and social media strategy to increase public awareness about the individuals ANCOR members support and how reductions in Medicaid will result affect them.
- Work with established coalitions and explore specific partnerships that advance the initiative's objectives.

Providers Share:
What scares you the most about Medicaid reform?

"Block grants, which will ultimately result in a reduction in funding. Moving to managed care without clear understanding of the outcomes desired (other than financial savings)."

—Bob Bond, ResCare

"The possible loss of the entitlement. The fact that services will be reduced to a point where vulnerable persons could be exposed to abuse, neglect, and exploitation. The further erosion of our federal government to accept responsibility for the appropriate level of support for people who need help—the erosion of our very safety net for vulnerable persons!

"Fifty different systems for meeting needs. Lack of availability of the level of supoort that people genuinely need (e.g., more intensive types of residential support rather than a one-size-fits-all hourly in-home support system)."

—Chris Sparks, EPI

"That our governor will block the voluntary part of the Affordable Care Act and that the feds will cut Medicaid funding."

—Bob Bartles, Hope Haven

"The individual with the disability getting lost in the bureaucracy."

—Tim Sullivan, The Institute of Professional Practice Inc.

"The word 'reform' indicates both efficiency and change. Our organization has continued to make significant change/reform/efficiency improvements. If the word reform is change-at-any-cost to simply reduce expenditures, the greatest...need will be to reduce services to the extent of re-institutionalization.

"We've spent the last 25 years getting individuals out of incredibly harsh state-run institutions and into the community with relatively high-value and meaningful lives—let's not reverse the trend."

— Bob Bohm, DakotAbilities

"Maine is considering a global waiver; one of my biggest fears is being tossed into the big pool and having to compete for funding with children, the elderly, etc."

—Heidi Mansir, Uplift Inc.

Providers Share:
How has your agency creatively addressed budget cuts while maintaining quality supports?

"Cut administrative staff, have not given raises for a number of years, managed overtime more closely, reduced the number of cell phones and laptops, managed capital costs more closely, started a wellness program to reduce overall health care costs, introduced polycom equipment across the state to connect sites together for training purposes."

—Sam Hedrick, RHA Howell

"First off, we have made maintaining quality supports our first priority. Talked about that with staff and asked for their ideas on what we can do differently. Implemented technology changes where possible to reduce staffing needs when possible, while still ensuring that the people we support have regular interactions with people who care about what happens to them."

—Sandra Gerdes, Laura Baker Services Association

"We have enhanced our development efforts to assist us in providing the capital supports necessary to assure our infrastructure is maintained, to also address transportation barriers and meaningful activities for people we serve."

—Marilyn Althoff, Hills & Dales

"To date, our state has not instituted any cuts to Medicaid. Arkansas, under agreement between our governor and HHS, is currently transforming the entire Medicaid system from fee-for-service to episodes of care. The entire DD system in Arkansas is in the initial rollout phase.

"Our organization has not cut any staff or budgeted positions. We are monitoring our current resources to ensure that our organization is operating optimally and efficiently under our current funding and resources without adding additional administrative and support positions. Direct care positions will increase proportionally to increase in consumers served. In doing do, we are hoping to avert any major layoffs or cuts in the event our funding is reduced."

—Craig Cloud and Georganna Imhoff, AEDD Inc.

"Actually, most of the cuts have impacted quality. Positions in training and quality management have been eliminated, wages and benefits frozen or reduced, fewer individualized services are being offered, and travel and other "unessential but nice" services have been curtailed. Therap has helped some (most of Oregon's DD providers use it)."

—Tim Kral, Oregon Rehabilitation Association

"Cutting administrative positions, especially secretarial; flattened the structure; and enhanced our use of technology."

—Christopher Fortune, Orange AHRC

"Reformed the ICF funding formula. Implemented a self-directed waiver on a small scale. Requested funding for a waiver pilot to establish an acuity-based case rate and focus on outcomes."

—Mark Davis, OPRA

"We have changed some service providers for expenses to cut costs. We have given group homes a monthly accounting report for their spending and are holding them accountable on performance reviews for staying on budget. We are doing one time bonuses for day service staff rather than pay increases."

—Glenda Rutledge-May, Jackson County Learning Center

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Supreme Court Upholds Key Portions of ACA

The Supreme Court issued its ruling on the Patient Protection and Affordable Care Act (ACA) on the morning of July 28, 2012, ending months of anticipation over whether the law would be upheld or struck down. The law was upheld, though one key issue—that of Medicaid expansion—was limited by the court.

There were four issues before the court in this case—one of which was largely procedural in nature and one of which did not require a ruling because it became irrelevant after another ruling in the case. The two significant rulings involve the individual mandate and the Medicaid expansion provision.

The Issues

Anti-Injuction Act: The court ruled (9–0) that the Anti-Injunction Act did not prohibit the court from reviewing the ACA's individual mandate provision. The AIA dictates that a case disputing a tax may not be considered until after the tax has been paid.

In this case, the court determined that the AIA did not bar the suit from consideration because Congress did not intend the payment to be treated as a tax. (The court noted that the "tax" vs. "penalty" label does not control for purposes of determining constitutionality, but does for the application of the AIA.)

Individual Mandate: The court upheld the individual mandate in a 5–4 decision written by Chief Justice John Roberts. The court rejected arguments made by the government that the mandate was authorized under either the Commerce Clause or the Necessary and Proper Clause of the Constitution. However, it upheld the mandate on the grounds that it is a tax permissible under Congress' taxing authority.

This means that the majority of citizens must either hold private health insurance, be covered under an employer-based health plan or be enrolled in a public plan such as Medicare or Medicaid. Those who are not covered under one of these programs will be subject to a tax. Whether and how this tax would be enforced is unclear, though the court was clear that it would be considered a tax like any other.

Severability: The court did not have to rule on whether the remainder of the ACA could stand without the individual mandate because the mandate was upheld. (The dissenting opinion written by the Justices that opposed upholding the mandate made clear that they would have invalidated the entire ACA had the mandate failed.)

Medicaid Expansion: The court ruled (7–2) that the Medicaid expansion set forth in the ACA was unconstitutional insofar as it would allow the government to withdraw all federal Medicaid funding to any state that did not accept the terms of the expansion. However, a 5–4 majority held that the expansion would be allowable as long as existing funding were to remain in place, even if a state refuses to implement the expanded program.

This means that the expanded program is optional, but if states do accept the additional funds under the expanded program, they must comply with the rules of the expanded coverage. The ruling allows a state to turn down additional funds and continue its current, unexpanded plan.

What Happens Next?

Because the entire ACA—with the exception of the Medicaid expansion—was upheld, all

Continued on next page

If states opt not to take up the expansion, Direct Support Professionals could be affected if your organization does not offer health insurance. Even though states can opt out of the expansion, people cannot opt out of the individual mandate. And for people at the 133% percent poverty level, this effectively leaves them without coverage but still required to purchase from the insurance exchange.

Continued from page previous page

of the provisions already in effect and those scheduled to take effect will continue to be implemented as planned.

The ruling preserves a number of programs relevant to state developmental disabilities systems-changes to 1915 (i) that allow states to target, but not to cap, the Balancing Incentives Payment Program, the Community First Choice Option, the expansion of Money Follows the Person and the funding for the federal government's efforts around dual eligibles, including the 15-state demonstration grants and the special financial arrangements 37 states have expressed interest in to improve coordination between Medicare and Medicaid for duals.

It is unclear what impact the narrow reading of the Medicaid expansion will have in practical terms. The expansion would expand eligibility for individuals up to 133% of the federal poverty level. There are several possibilities for implementation the states now have available.

States may accept the terms of the expanded program, which would be funded at 100% initially, phasing down to 90% over the next 10 years, by the federal government. The increased funding that would allow significant expansions to the Medicaid program for such a decreased cost to states may provide sufficient incentive to most states to participate in a full expansion.

States may participate in a partial expansion (e.g., expanding the program only to 120% of the federal poverty level rather than up to 133%). In its ruling, the court did not mention this as an option, but there is nothing in the ruling that expressly prohibits it either. It is likely that the federal government will provide guidance on this issue in the future.

States may reject all expanded funding for political or financial reasons. Because it is likely that some states will refuse to implement the full expansion, there will be a group of individuals that remain without insurance coverage that the ACA intended to cover.

The full text of the ruling is available here. ⬣

Technology to Prepare for Uncertain Times Ahead

By Paul Ingle

On June 28, the Affordable Care Act (ACA) passed one of its biggest hurdles to date when the Supreme Court, in a 5–4 decision, upheld the bill's constitutionality. Much uncertainty still surrounds the impact the Act will have on the human service provider industry, but one thing is certain: those agencies that are able to react quickly and efficiently to whatever new requirements are introduced will be at a distinct advantage. Technology will play a pivotal role in being responsive and adaptable.

"We all have funding sources primarily with Medicaid. It will get increasingly hard to get a hold of and hold onto that funding. Technology allows us to customize the data collection in a way that satisfies the ever-changing state Medicaid requirements," said Chris Sparks, executive director of Exceptional Persons, Inc. (EPI), an Iowa non-profit organization dedicated to serving persons with disabilities and families.

Sparks, who also serves as a board member for ANCOR, believes that the next two years will be extremely challenging for Medicaid offices in states throughout the country. These offices will most likely be inundated with new enrollees as a result of the Medicaid expansion of eligibility. As a result, there will be less time for providers that need assistance with the establishments of rates, rate approval, prospective rate submission and exemptions to policy.

"It will become absolutely essential that the provider submits clear data that conforms to their state's Medicaid expectations. This will be a distinct advantage for providers with customizable software," he said.

Converting existing operations to an electronic platform is a decision that many agencies are still struggling with, despite the distinct advantages. "It's not just a matter of big versus small. EPI happens to be technology-rich, but there are many valid reasons why an agency may not be as fortunate," said Susan Seehase, services director for EPI.

The first and foremost reason is budget-related. Sparks said that agencies must be able to justify the expenditure before making a commitment. Among those returns are improved quality in service delivery, the ability to protect and increase funding and even the possibility of expanding into new markets. The right technology solution will need to prove itself from a cost/benefit perspective, while also demonstrating clear cost effectiveness in terms of day-to-day operations.

"One of the things we can anticipate is that, as more people are using those Medicaid dollars, there will be fewer dollars to use for service delivery. In that regard, we are very conscientious as an organization to continuously look for ways in which we can operate with the most transparency that we possibly can, because we are using a shrinking amount of funds, either through Medicaid or other tax-based revenues," Seehase said.

Transparency is best achieved by having instant access to data that will provide a comprehensive picture of operations and performance so that future funding can be justified. An agency must also be philosophically prepared, from an organizational standpoint, for the learning curve that is inevitable when switching to an electronic environment. The more a particular software solution can be customized to conform to an agency's reporting requirements and preferred procedures, the more quickly they will be able to manage the transition.

EPI chose Quantum Solutions as their technology provider. The Petersburg, Illinois-based software company serves the human service provider industry exclusively and developed their software in collaboration with working agencies. One of the most indelible lessons that the collaboration produced is that agencies are constantly under pressure to conform to ever-changing, and often more complicated, reporting requirements that vary from state to state.

"Like everyone else, we're in a wait-and-see mode right now when it comes to the Affordable Care Act. But we're going to assume that our clients are going to have new requirements to comply with and new procedures to implement. As always, we're going to offer our clients free software upgrades to accommodate these changes, so our team is gearing up for that right now," said Amy Robb, Quantum Solutions executive vice president.

"The bigger issue that will be coming up in 2013 is the entitlement reform. Both sides of the political aisle see the Medicare, Medicaid and Social Security as a huge spending problem. Technology like Quantum Solutions helps us by collecting the specific data we need in order to hold onto the funding we already have," Sparks said. ⬣

Author LINK: Paul Ingle is the president and CEO of Quantum Solutions, the exclusive sponsor of ANCOR's 2012 Leadership Summit: Funding and Financing—From Crisis to Sustainability, and an ANCOR Gold Partner. For more information on Quantum Solutions, contact Dana Ingle at Dana@quantumsolutionscorp.com.

Celebrate DSP Recognition Week 2012

Once again, ANCOR's National Advocacy Campaign is sponsoring National Direct Support Professional Recognition Week, beginning September 9, 2012. This is a great opportunity for your organization and your entire community to honor the direct support workforce and the tremendous difference they make each day in the lives of millions of Americans with disabilities.

(Click here to access the ANCOR Board resolution.)

2012 DSP Recognition Week Proclamations

ANCOR is working to acquire a Senate Resolution recognizing DSP Recognition Week. We are also working to acquire Gubernatorial Proclamations in each state.

Help us get these state proclamations by sending a letter to your governor's office, along with a copy of the ANCOR Board of Directors' resolution.

Contact Mary Pauline Jones for more information or if you need assistance.

2012 DSP Advocacy Day

Join providers across the country on Wednesday, September 12, in meeting with elected officials about issues important to DSPs.

The National Advocacy Campaign's mission—to enhance the lives of people with disabilities by obtaining the resources to recruit, train and retain a highly qualified and sustainable direct support workforce—is currently threatened by continued cutbacks and economic challenges in states and on the federal level. Use these meetings to emphasize the connection between DSPs, the individuals with disabilities they support and Medicaid.

In-person visits are much more effective than phone calls, so we encourage you to advocate in person. You can visit the district office or your state capitol. Use Capwiz to contact your elected officials and set up a meeting with them or their staff.

Contact Mary Pauline Jones at mpjones@ancor.org for more information, including talking points.

Free Webinar: Live Your Passion

In this free webinar on Monday, September 10, Scott Trudo will make the point that true passion in life comes when we are living our lives in service to others. He will describe the thought processes that led him to a make a mid-life career change, discovering his passion as a Direct Support Professional, and share motivational stories of others who have overcome tremendous obstacles to live their passions.

Click here for more information and to register.

Free Webinar: A Good Afternoon or a Great Life

This free webinar will outline what makes a professional, describe how you can "work with intention," and illustrate how DSPs are often the difference between someone with a disability having a good afternoon--or a great life.

More information, including registration, will be available soon. ⬣

'Solid Educational Training' for Kentucky's DSP Workforce

By Linda McAuliffe

In late 2009, the Kentucky Department for Behavioral Health, Developmental and Intellectual Disabilities launched the College of Direct Support (CDS) online curriculum.

The required training program for the Commonwealth's system of care for people with intellectual and developmental disabilities had been in place for more than four years, but the core curricula remained unchanged. In addition to the need for content updates, the state wanted Direct Support Professionals (DSPs) and other staff to receive the highest quality training available.

With the support of the department's new commissioner, Dr. Stephen Hall, the decision was made to incorporate DirectCourse/CDS into the larger training curriculum.

Prior to implementation, informational sessions were held across the state from May–September 2010, with live demonstrations of the new training. Adopting a comprehensive, state-of-the-art, web-based curricula proved to be a major adjustment for the provider community, but they rose to the challenge. Agencies had a six-month window to implement the new training system, and DirectCourse/CDS became mandatory for all newly hired or transferred staff on March 1, 2011.

The training plan included subject areas that continue to be provided face-to-face with a skilled trainer, such as First Aid/CPR, Medication Administration, and Crisis Prevention and Intervention. In addition, specific CDS courses made up the rest of the core curricula, including Maltreatment, Individual Rights and Choice, Person Centered Planning, Safety, Teaching, Inclusion, and Supporting Healthy Lives.

These lessons were customized within each course to meet the standards outlined in Kentucky regulations. Today, Kentucky has about 200 providers using the CDS.

Supervisors, managers and executive directors also completed the same training, as well as additional modules from the College of Frontline Supervision and Management. The decision to make CDS mandatory was based on the following factors:

- Portability: CDS makes it easy for training records to move between agencies and to be shared.
- Consistency: CDS ensured that all new hires received the same training, supporting a shared culture that promoted full and inclusive lives.
- Continuous Quality Improvement: The University of Minnesota and the National Board of Editors provided oversight on the development and updating of modules.
- Sustainability: Providers built skills and capacity for web-based learning by using the CDS over time.

In addition to the mandatory lessons that make up Kentucky's core CDS curricula, many agencies chose to incorporate additional modules and lessons into their basic training programs, such as Universal Precautions and Confidentiality.

Kentucky has an estimated 6,500 DSPs who work for Supports for Community Living Waiver providers. Since CDS training is required for managers as well, there have been 12,924 registered users as of May 23, 2012. Seventy-three percent have completed lessons, with more than 200,000 training hours completed. Department of Behavioral Health's Developmental and Intellectual Disability staff also used the system for professional development, monitoring and oversight.

Tammy Causey, sub-administrator for Lifeskills, located in Bowling Green, says that College of Direct Support is easy to navigate and enhances their staff's ability to provide quality services and supports.

Terre Johnson, sub-administrator for Cascades of the Bluegrass, located in Lexington, appreciated the ability to utilize the College of Direct Support's Learning Management System to track her employees' progress on assigned modules. Johnson stated, "By taking ownership of the learning process, I feel staff is more ready advocates for the people we serve."

DirectCourse/CDS has enhanced services provided in the Supports for Community Waiver program and will continue to evolve as new and exciting changes are implemented. In addition, several goals have been identified to expand the use of the system. They include:

- Marketing and expanding the use of CDS among people using participant-directed options;
- Expanding use of the reporting features in CDS so that tracking by providers and the state monitoring and oversight is achieved in a more efficient and effective manner; and
- Exploring other offerings by Direct Course, such as the College of Employment.

Linda McAuliffe

Alice Blackwell, manager of the Supports for Community Living program, said, "The College of Direct Support modules have provided solid educational training that enhances the quality of services and supports provided by the Direct Support Professionals as they work with Kentucky citizens. The curriculum promotes a well-prepared workforce who are valued and respected as essential team members for the people in the Supports for Community Living Program." ⬣

Author LINK: Linda McAuliffe is the behavioral health, developmental and intellectual disabilities program administrator for the Division of Administration and Financial Management. If you have questions, you can contact Linda at 502.564.7702 (Ext. 4599) or via email at Linda.McAuliffe@ky.gov.

To find out about the ANCOR Foundation partnership with the DirectCourse/College of Direct Support and the ANCOR Member Buying Pool, contact Bill Tapp at 1.877.353.2767 (toll free) or email him at b.tapp@elsevier.com.

Want more funds to improve supplies and services and increase benefits for your DSPs?

Participate in the Shared Resources Purchasing Network!

Barbara Merrill Joins ANCOR as VP of Public Policy

Barbara Merrill

The American Network of Community Options and Resources (ANCOR) has hired Barbara Merrill as its new Vice President of Public Policy. In this new position, Merrill will supervise the Government Relations team; will be responsible for federal lobbying and maintaining relationships with Administration officials; and will serve as ANCOR's representative in a variety of disability community forums.

Prior to joining ANCOR, Merrill was the Director of Government Relations for the MENTOR Network, a national network of community health and human services providers based in Boston. She has also served on ANCOR's Board of Directors since 2010 and has been active on ANCOR's Government Relations Committee and its Medicaid Subcommittee.

"We're very excited about having Barbara Merrill join our staff," said Renee L. Pietrangelo, ANCOR CEO. "She brings a wealth of understanding of the issues that disability service providers face, a thorough knowledge of the legislative and regulatory landscape, and a history of getting things done for those she represents."

Merrill has been involved in disability issues since 1992 as an advocate and attorney for people with disabilities and the providers who serve them. In 2002, she became the first Executive Director of the Maine Association for Community Service Providers. She also served in Maine's House of Representatives from 2004 to 2006.

Barbara Merrill began her work at ANCOR on August 1. ⬣

ANCOR Upcoming Events

Webinar
Managing Health Risks for Better Lives
August 27, 2012
1:00 PM - 2:15 PM EDT
Click here for more information and to register.

Live Your Passion
September 10, 2012
1:00 PM - 2:15 PM
Click here for more information and to register.

2012 ANCOR Leadership Summit:
Financing and Funding—
From Crisis to Sustainability
October 1–2, 2012
Washington, D.C.
Click here for more information and to register.

2012 ANCOR Technology Summit:
Implementing Innovative Solutions
November 3, 2012
Westminster, Colorado
Click here for more information and to register.

ANCOR Announces New Look, Stronger Messages

On July 16, ANCOR rolled out its new look, with a new logo and two new taglines. We hope that this will help us better tell the story of our association and our member providers.

This is the new logo:

The new design replaces the former star with a person, an important symbol because our work is all about people. The person is reaching—reaching up and reaching out-which is what providers do; you help the people you support to reach their dreams and realize their potential. Our logo now carries this message.

We also have two new taglines.

The first is for internal use with ANCOR member and non-member providers. It is "Shaping Policy, Sharing Solutions, Strengthening Community."

These words embody the essence of what ANCOR offers providers—a place at the table when policy decisions are being made, access to innovative solutions and best practices in service delivery, and the strong, inclusive communities that are at the heart of our work.

With the new logo, the tagline looks like this:

The second tagline is for use with external audiences (e.g., the public, other disability organizations, and persons served and their families). It is "Because we all matter."

This phrase gets to the heart of why we do what we do: people with disabilities matter just like everyone else, and they have a right to express themselves, make choices about their lives and receive the supports they need to realize their dreams.

With the new logo, the tagline looks like this:

We've also created a version of the logo for our members, which we hope you'll proudly display on your website and printed materials. Simply download the image here.

The "ANCOR Proud Member" logo looks like this:

You may download a version of this logo here.

If you place this on your website and link the image to the ANCOR homepage, it will increase our search engine optimization and help us reach out to even more people.

These logos and taglines come at the end of a nearly year-long research and discernment process that involved dozens of conversations with ANCOR members and nonmember providers, other disability organizations, and government officials; focus groups of providers, family members and DSPs; and a survey that many of your organizations participated in.

In addition to what you see here, we gained insights about the needs and expectations of our various audiences that will help us communicate more effectively and project a stronger ANCOR brand image in the future.

Thank you to everyone who participated. We hope you are as happy as we are with the results.

If you have questions or comments about the new logo and taglines, please contact Jocelyn Breeland at jbreeland@ancor.org.

The American Network of Community Options and Resources (ANCOR) was founded in 1970 to provide national advocacy, resources, services and networking opportunities to providers of private supports and services. LINKS provides a nexus for the exchange of information, ideas and opinions among key stakeholders.

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