March 5, 2013

Jerry Parks, Chairman
North Carolina Division of Health Service Regulation
Medical Facilities Planning Branch
2714 Mail Service Center
Raleigh, NC 27699-2714

Re: Petition to Allow Transfer of ICF-IID Beds

Dear Mr. Parks:

I am writing to you to request the consideration of the attached petition. In February of last year, we learned that CMS would not approve the new Medicaid waiver unless the State prohibited the provision of both CAP and ICF services on one site. As a result, 10 elderly individuals with intellectual and developmental disabilities living at Spring Glen were given the choice to move from their home of many years or lose their CAP slot. Since the loss of their CAP slots, 10 Spring Glen residents are now are receiving services paid for with State funds, but this has not been promised beyond June of 2013. Without a long term resolution, there is a serious risk of institutionalization.

This request is to allow for a procedure to transfer vacant ICF beds from the State institutions to address this specific issue. Thank you for considering this request.

Sincerely,

[Signature]

Dennis Bradshaw
Executive Director

Board of Directors

Karl Bauman, Ph.D.
Mary E. Van Bourgodien, Ph.D.
Karen Carmody, Ph.D.
Jerry Levit
Betty Ann Rogers

Norbert J. Schneider, D.D.S.
Victoria Shea, Ph.D
John T. Stewart, J.D.
Robert Stiffer, M.D.
Sam Weir, M.D.

Accredited by
the Joint Commission
PETITION

Petition to Amend Policies Applicable to
Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID)
(Formerly Intermediate Care Facilities for the Mentally Retarded (ICF/MR))

Petitioner

Residential Services, Inc.
111 Providence Rd.
Chapel Hill, NC 27514

(919) 942-7391
dbradshaw@rsi-nc.org

Background

Until the early 1970s, large institutions provided most of the services available to people with developmental disabilities. Families began to question that services model and to advocate for additional options for their family members with developmental disabilities. Group homes and other service models were developed as families and advocates began to brainstorm new ideas. In Chapel Hill, North Carolina, a group of dedicated parent, community leaders, and UNC professionals joined forces with one mission – to create quality services for people with developmental disabilities.

Founded in 1974, Residential Services, Inc. was the result of this effort. RSI was one of the first organizations in North Carolina to provide community-based residential services and today carries on the tradition of providing a wide array of services. RSI’s mission is to provide living options and related supports to people with intellectual and developmental disabilities of all ages. RSI promotes quality of life by maximizing self-determination, development of independent living skills, community involvement, meaningful social roles, and socially responsible behavior.

In 2000, after providing services for over 26 years, we began to receive questions from families and others about what services would be available to persons with intellectual and developmental disabilities as they get older. We know that individuals with intellectual and developmental disabilities are living longer. We also know that changes in cognitive and physical capabilities are part of the normal aging process. What is less well known is the impact of the aging process on individuals with intellectual and developmental disabilities. During the search for expanded options for individuals with intellectual and developmental disabilities who are aging, we were surprised to find how little had been done. Outside of large institutions, we could find almost nothing available. The Assisted Living industry was not interested in this population, so we felt the need to develop a new and unique service model.
After much work, our Board of Directors finalized a vision and developed a plan for what would become Spring Glen. When we began to approach potential funders, it became clear that others shared our concern. Financial commitments from the Duke Endowment, The Kate B Reynolds Trust, The Canon Foundation, The State of North Carolina, Orange County and a host of other donors large and small soon meant the we had raised the two million dollars needed to begin construction. Secretary of DHHS Carmen Hooker Odum gave the keynote speech at the Grand Opening in June of 2003. Representative David Price cut the ribbon, and the Opening Ceremony was attended by a large group of donors, elected officials, and friends of RSI. One of the unique features of Spring Glen was that funding sources included ICF-IID residents and 10 people who received CAP/Waiver services.

On Tuesday, February 1st 2012, as Spring Glen approached its 9th year of operation, we received a call from the assistant to the Secretary of Health and Human Services asking us to come to Raleigh to meet with Acting Secretary Delia and the leadership team at DHHS. We were told by the Secretary that under the new Medicaid waiver we would not be able to bill CAP for services provided at Spring Glen. He indicated that CMS would not approve North Carolina’s Medicaid Waiver until Spring Glen and a few other facilities were prohibited from billing for both ICF-MR services and CAP/Waiver services on the same site. This effectively meant a loss of funding for 10 people. The State committed to providing bridge funding, but the best option would be for Spring Glen to request that 10 empty beds be transferred to RSI to allow the 10 aging people living at Spring Glen to continue to remain in their home.

The 10 individuals living in Spring Glen who lost their CAP funding have an average age of 61. Most have been institutionalized at some point in their lives. One woman is representative of the problem. She lived in Murdoch Center for 13 years until 1974 when at the age of 26 she moved into a Residential Services, Inc. group home. She lived in the group home for a number of years and moved into an apartment with two other women. She lived in her apartment for many years and then moved to Spring Glen as she got older and needed more support. If Spring Glen were to be forced to close, she faces the possibility of returning to Murdoch Center to live her final years, a place she left nearly 40 years ago.

**Requested Change: New Policy**

**POLICY ICF/IID-3: TRANSFER OF ICF/IID BEDS FROM STATE OPERATED DEVELOPMENTAL CENTERS TO COMMUNITY FACILITIES FOR ADULTS WITH SEVERE TO PROFOUND DEVELOPMENTAL DISABILITIES**

Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) beds in state operated developmental centers may be relocated to community facilities through the certificate of need process for the replacement of waiver slots lost as a result of the CMS policy designed to prohibit waiver and ICF/IID beds from being located on the same campus. This policy allows for the relocation or transfer of beds only and does not provide for transfer of residents with the beds. State operated developmental center ICF/IID beds that are relocated to community facilities shall be closed upon licensure of the transferred beds.
Facilities proposing to operate transferred beds shall submit an application to the Certificate of Needs Section demonstrating a commitment to serve adults who have severe to profound developmental disabilities. This policy applies only to facilities that have lost waiver slots as a result of the CMS ruling and does not apply for expansion beyond the lost beds. To help ensure the relocated beds will serve these residents such proposal shall include a written agreement with the following representatives: director of the local management entity/managed care organization serving the county where the group home is located; the director of the applicable state operated developmental center; the director of the North Carolina Division of State Operated Healthcare Facilities; the secretary of the North Carolina Department of Health and Human Services and the operator of the group home.

**Rationale: Adverse Effects on Consumers If Change is Not Made and Alternates to Proposed Change that Were Considered and Found Not Feasible**

This proposal to allow for the transfer of 10 beds from the institutional inventory to the community is consistent with the State’s commitment to downsize institutions, and with the commitment to provide long term supports to individuals with intellectual and developmental disabilities. There is no additional cost to the State, as these individuals had been Medicaid CAP recipients and now are receiving State Funds; also, no new ICF beds are being created. Without adequate funding, there is a possibility that some if not all of these individuals would be readmitted to the State institutions that they left almost 40 years ago. Since CMS will not allow Waiver and ICF services to be provided on the same campus, and new Waiver homes are limited to 3 beds or less, there are no practical alternatives except for State funding, which is less cost effective than the ICF model.

**Duplication of Services Analysis**

There are almost no other community based ICF-INTELLECTUAL AND DEVELOPMENTAL DISABILITIES programs specifically designed to focus on intellectual and developmental disabilities populations over 55. In 2003, when Spring Glen opened, it was praised as a unique and a model program. Unfortunately, other similar services continue to not be available.

**Basic Principles Governing Development**

*Safety and Quality*

Spring Glen was built in 2003 to the highest construction standards, incorporating the latest safety features. No additional capital cost would be incurred by this change. Resident safety is enhanced by being allowed to continue to live in their own community and to see their
long-term medical care providers and to continue to have family involvement. Some of RSI's staff have known these residents for over 15 years and are about to change in physical and cognitive functioning.

Residential Services, Inc. was just recertified by the Joint Commission for a new 3 year accreditation period. RSI additionally conducts numerous internal quality management reviews. Oversight is also provided by DHSR Facility Services and the MCO. Residential Services has demonstrated a long-term commitment to quality.

**Access**
This program focuses on persons with intellectual and developmental disabilities who are 55 years of age and older. The average age of current residents is 61. Two of the residents are in their mid-70s. There are almost no specialized services available to individuals with intellectual and developmental disabilities who are also elderly. This program is a model for this service, and we receive frequent requests for information.

**Value**
The cost of providing community-based ICF services is significantly less than providing ICF services in the State institutions. Allowing these beds to be transferred will potentially save money for the State.