

DDS RESPONSE TO THE MEMORANDUM FROM
ARC CONNECTICUT FAMILIES FOR FAMILIES
PARENT LEADERSHIP COMMITTEE REGARDING STS

This Department of Developmental Services (DDS) report is provided as a response to the March 17, 2015 memorandum regarding: “Rightsizing Southbury Training School – Implications for FY 2016” that was prepared by ARC Connecticut Families for Families Parent Leadership Committee and presented to the Co-Chairs of the Appropriations Committee.

While DDS appreciates every effort to help identify savings within our existing system, the memorandum’s authors appear to rely on a perceived savings in overtime that is not actually attainable.

During the past fifteen years, Southbury Training School (STS) has been continuously rightsizing its operations to match the needs of the decreasing number of individuals who live at STS. Currently, there is not a \$19,000,000 potential savings to be realized in FY 2016 at the Southbury Training School. Southbury has a clear and manageable plan that responds to the downsizing of the facility by decreasing expenditures, maintaining appropriate supports for the vulnerable aging residents served, maximizing the use of STS’s critical resources, maximizing federal reimbursements to the general fund, developing a working plan with the Town of Southbury for the reuse of campus resources, and redeploying personnel and other resources.

Since its opening in 1940, STS has provided valuable services to persons with disabilities and their families throughout Connecticut. The entire facility has operated as an Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) since 1998. In January 1998 there were 751 residents living at STS. At that time, STS operated fifty-six distinct cottages and with its participation in the ICF/IID program, it allowed Connecticut to receive close to \$35,000,000 per year in federal Medicaid reimbursements to the General Fund.

The Southbury Training School has maintained a commitment to quality services for residents while downsizing the facility to reflect its decreasing population. There have been no new admissions to STS since 1986. The census at STS as of March 30, 2015 was 305. The current number of cottages and homes in operation totals twenty-three, with two cottages scheduled to close this spring.

In this report, DDS details certain miscalculations in the data used in the memorandum and provides factual information in order to give legislators and staff more accurate data on which to base their fiscal decisions. DDS would urge careful consideration of the details provided in our response as a balance to the findings in the memorandum. Any analysis of costs at STS must include an analysis of a variety of issues that are not factored into the memorandum’s calculations, and thus, the memorandum’s analysis does not appear to be accurate or complete. The department’s comments on the interpretation of data and apparent inaccuracies in the conclusion are provided below.

On page 1 of the memorandum, the figure of \$91 million is offered as the cost of “employee compensation alone to care for 348 residents.” It is not clear if the figures included fringe benefits. Personal Services expenditures for STS in FY14 were \$69 million. DDS projects that total expenditures for FY 2015 will be slightly more than \$69 million. A review of STS personal services expenditures from the last five fiscal years shows a steady decline despite the existence of many fixed costs associated with maintenance of the facility. Considering that DDS staff have incurred union and management pay raises ranging from 3% to 6% during FY15, maintaining level personal services expenditures is a considerable accomplishment. Below are different views of these trends:

Figure 1 shows clearly that DDS Personal Services expenditures, including overtime costs, have steadily declined by more than \$30 million since FY 2010:

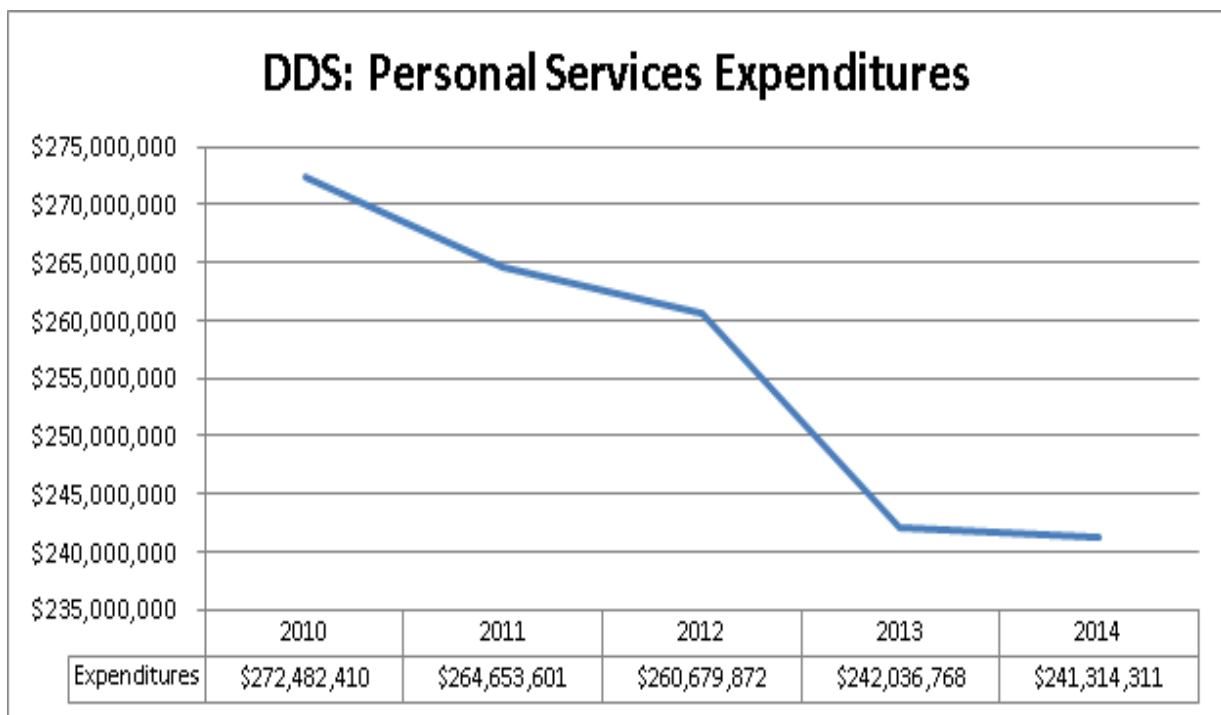


Figure 1

Moreover, a detailed analysis of state employee positions and individuals receiving services and supports in public settings (Figure 2) shows a steady decline over the same period:

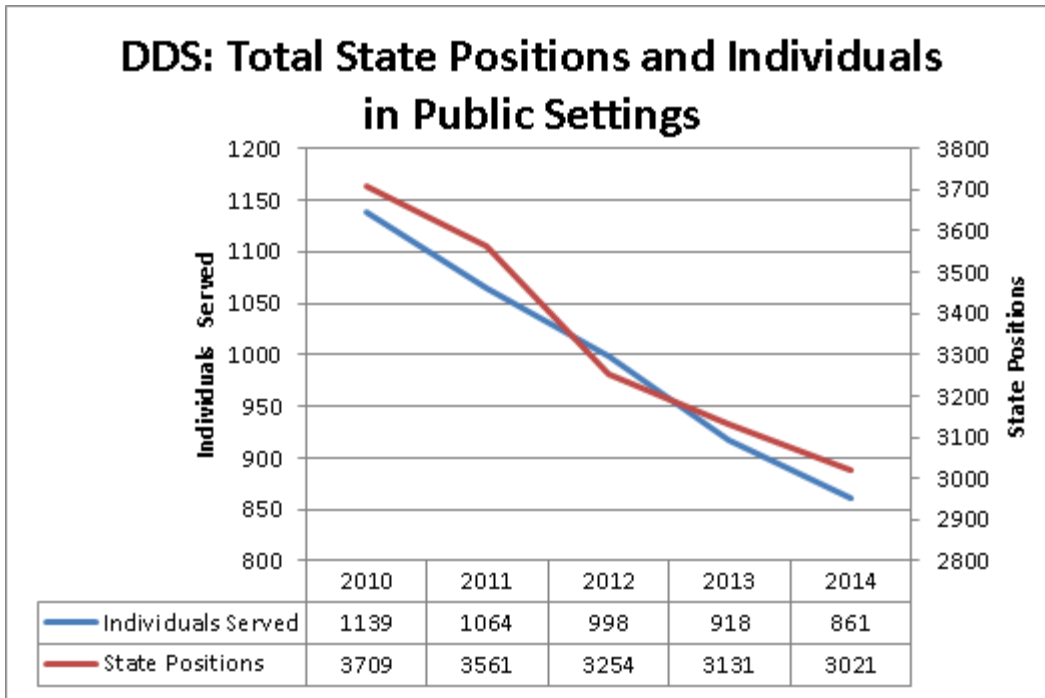


Figure 2

A statewide analysis of STS and the Regional Centers shows a similar decline in Personal Services expenditures from 2010-2014 (Attachment A).

STS Personal Services expenditures mirror the overall decline in DDS Personal Services expenditures as shown in Figure 3.

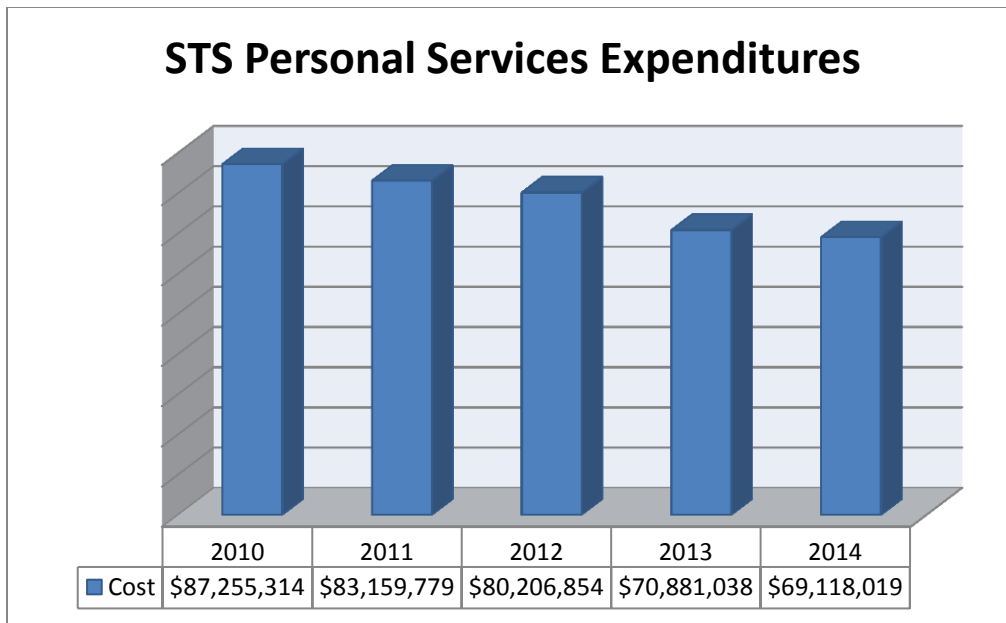


Figure 3

In addition to overtime costs, pages 2 through 5 of the memorandum identify direct care staff full-time equivalent (FTEs) and staff-to-resident ratios at STS. The memorandum references in several places the presence of partial FTEs. In reviewing these references with DDS regional and central office human resources staff, the authors' use of the term "partial FTE" could mean a variety of part-time hour values (17.5, 24, 28 and 32 hours). To determine the correct FTE count at STS and subsequently an accurate staff-to-resident ratio, an updated direct care FTE count was calculated using January 2015 data.

Table 1:
Southbury Training School Direct Care positions:
As of January 2015:

Job Titles	Total Employees
Full Time	481
Developmental Services Worker 1	334
Developmental Services Worker 2	89
Lead Developmental Services Wkr	37
Supvsng DSWkr 1	20
Supvsng DSWkr 2	1
Part Time	65.5 FTE
DevelopmentalServicesWorker1 (95 positions = 65.5 FTE)	
Grand Total FTE	546.5 FTE

The memorandum on page 5 recommends an FTE count of 620. The authors state that using this FTE count would realize \$14,000,000 savings in FY16. As noted in Table 1, STS FTE direct care staff count is 546.5. This FTE count is 73.5 fewer staff than the authors suggest is necessary to maintain a 2:1 ratio. As of January of 2015 the census at STS totaled 313 resulting in a staff-to-resident ratio of 1.75:1, well below the statewide average used by the authors. (Please note that LPNs do not perform direct care hours at STS and should not be included in the FTE analysis.) Although the authors' analysis does not reflect the acuity of STS residents which requires greater than a 2:1 ratio, DDS will concede the point for the sake of the following illustration that demonstrates the minimum costs of either overtime or replacement staff just to achieve the above stated ratios.

STS FTE Cost Comparison	Cost of existing staff w/overtime	Cost of new staff
Estimated Full Time Salaries	\$5,559,921.02	\$3,027,220.66
Estimated Fringe Benefit Cost	\$4,134,357.27	\$2,850,763.97
Total cost for 73.5 FTE	\$9,694,278.28	\$5,877,984.63

The above analysis does not reflect the overtime impact of staffing 24-hour facilities which require regular days off as well as personal, vacation and sick day allowances. Use of overtime also results from:

1. The hours required to cover 24-hour care (three shifts around the clock) with the 35-hour work week in the 1199 contract. Those additional 5 hours per week are considered “straight time” overtime. The amount of straight time overtime paid at STS in FY14 was 145,593 hours which was 35.5% of total STS overtime (410,020 hours).
2. Mandatory overtime would not diminish entirely. Not all time off is planned or requested ahead of time, but regardless it still must be covered and if no one volunteers, this is paid at double time per collective bargaining.
3. Coverage for staff out on workers compensation.
4. Coverage needs for employees using accrued leave. (Unless we dramatically overstaff or modify union contracts).
5. Overtime resulting from mandatory training for 2nd and 3rd shift staff.

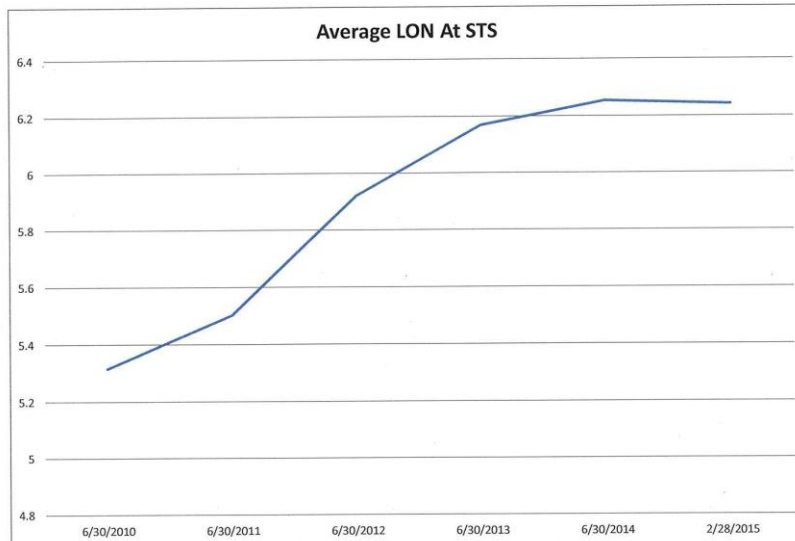
This information is provided to show that, the reported savings are not achievable as identified in the report. While there may be some savings (approximately \$4 million), there are also long term liabilities associated with hiring new staff to decrease the use of overtime.

The only other solution to ensuring adequate staffing ratios at Southbury is to hire permanent full time staff, something DDS has chosen not to do to maintain flexibility and contain costs as residents continue to move into the community and also because there is considerable fringe benefit impact to adding additional full time staff. Staffing pools are another option that has been considered.

The following chart shows the changing Level of Need (LON) of Southbury residents over the past five years:

Southbury Training School

LON Score	Date					
	2010	2011	2012	2013	2014	2015 (2/28)
0	0	0	0	0	0	0
1	6	4	1	0	0	0
2	34	28	9	3	1	1
3	37	28	14	4	2	2
4	33	23	22	12	12	9
5	114	112	88	66	52	53
6	81	77	87	105	101	93
7	141	154	177	167	163	148
8	4	3	3	4	4	4
TOTAL	450	429	401	361	335	310



To demonstrate the high level of need of STS residents, the following data is pertinent and accurate as of March 1, 2015.

- a. The average age of STS residents is 66 years of age.
- b. 76% of STS residents have intellectual disability in the severe/profound range.
- c. 25% of STS residents are non-ambulatory.
- d. 26% of STS residents require moderate to maximum assistance to ambulate.
- e. 43% of STS residents are diagnosed with a psychiatric diagnosis and are prescribed psychoactive medication.
- f. 36% of STS residents are diagnosed with a seizure disorder.
- g. 13% of STS residents require 24-hour tube feeding.
- h. 32% of STS residents have compromised respiratory conditions and require respiratory therapy services.
- i. On a daily basis more than 9,060 medications and treatments are administered by STS nursing staff.
- j. 62% of STS residents have a behavioral support plan.
- k. 16% of STS residents have a diagnosis of PICA (ingestion of inedible objects).

STS Areas of Expenditures:

The authors identify four areas of expenditures; (1) the Fire Department; (2) Maintenance Shops; (3) Food Service; and (4) the Powerhouse. Outlined below are data related to each identified area and information to indicate there is not \$5,000,000 in savings available in FY16.

Additionally, as part of the continued long term strategy to downsize STS, two cottages will be closed this spring, resulting in an estimated annual payroll savings of \$1.7 million in overtime.

Fire Department and Ambulance Service:

The memorandum on page 6 proposes a reduction in expenditures in this area of approximately \$1.5 million. Given existing regulations and contractual obligations, the identified savings cannot be realized as described in the memorandum. The STS Fire Department has been in existence since the inception of the school in the 1940s and continues to provide, fire and emergency

medical services (EMS) to the facility, DDS public and private providers and the local surrounding towns as part of a mutual aid agreement.

As the census at STS continues to decline, the future of the fire department has been the subject of extensive discussion. In 2014, the STS Director and STS Fire Chief met with the First Selectmen of Southbury as well as his Fire Chief and Emergency Management Services (EMS) President. Discussions took place regarding closing the STS Fire Department and transferring responsibility for these services to the Town of Southbury. The First Selectmen clearly indicated that the town was not in a position to assume this responsibility as their fire calls in 2014 already totaled approximately 650 calls and they lacked resources to manage anything additional. The Town of Southbury, as with other small towns in Connecticut, is facing issues with volunteer staff especially during the day. Additionally, STS direct care workers supplement the full-time fire staff on a voluntary basis resulting in a reduced reliance on hiring additional full-time staff for this purpose.

1. At STS, data from 2014 revealed 281 fire rated responses by the STS Fire Department at the facility. This includes trouble alarms, fire alarms and smoke conditions.
2. STS Emergency Services provided 1,207 ambulance transports for STS residents during calendar year 2014.
3. In the first quarter of 2015, thus far, there have been 353 ambulance responses for service at the facility.

There was a 32% increase in the need for ambulance transportation from 2013 to 2014. Using data from the first quarter of 2015, the estimated increase of ambulance transports from 2014 to 2015 is projected to be another 15%. Given the aging population at STS, it is anticipated that the need for emergency service will continue to increase. Also noteworthy is that the STS EMS Service generated more than \$400,000 in reimbursement to the general fund in 2014. STS will continue to pursue the downsizing of this service, but safety cannot be compromised in the process.

The fire department performs these additional functions (some of which are required by ICF/IID regulations and other legal agreements):

1. Conducting monthly fire drills in each residential building and monthly fire inspections in all sixty structures on the campus.
2. Coordinating the DDS Evacuation Score Determination Program which covers more than 450 Community Living Arrangements statewide.
3. Providing consultative services as a statewide resource for public and private providers. Tasks such as code compliance for new home development, problem solving with fire-related problems with existing homes, and assisting the DDS Quality Management Services Division with code compliance evaluation and response are all completed by the STS Fire Department staff.

Discussions are scheduled later this year with officials from the Town of Southbury to prepare a detailed plan to further discuss the transfer of STS fire protection services to the town.

Food Service:

The memorandum on page 6 references the MIT Living Wage Calculator, which projected an annual cost of \$2,170 per person for retail food purchases. The annual cost per person at STS is \$2,239 based on FY14 data. The additional \$69 per person at STS will not result in the \$.5 million savings proposed in the memorandum. Additionally, the position of Supervisor of Food Services has not been in existence for many years, as it purposefully was not refilled as part of managing the downsizing.

As the memorandum states, private providers do not utilize dedicated kitchen staff. However, comparing a typical Community Living Arrangement (group home) of 3 to 4 individuals to a typical cottage at STS is simply not accurate. The following factors must be considered when managing the dietary needs of STS residents and the support services that are used to address their needs:

1. The average number of residents in an STS cottage is 18.
2. 56% of STS residents have dysphagia (swallowing and choking related issues).
3. 82% require therapeutic diets.
4. 56% require special diet consistencies.
5. In order to accommodate the varying health needs, there are more than 20 different types of diets required.
6. The large homes at STS have an industrial sized kitchen that allows for the volume of foods that must be prepared for the very large numbers of meals.
7. The mini-kitchens in homes accommodate the individuals that live in these homes, training programs, accommodations for personal preferences and safe access to this functional daily activity.
8. The medical acuity of residents of STS and the prevalence of dysphagia leave the population particularly vulnerable to both aspiration pneumonia and choking. With regard to aspiration pneumonia, the DDS Mortality Annual Report of FY 2012 identified aspiration pneumonia as among the leading cause of death among people with developmental disabilities.

Given the medical acuity of individuals living at STS, food service and dietary staff at STS are integral to ensuring the residents' health and safety.

The memorandum on page 6 references the presence of dietitians on staff as another service that could be eliminated. However, ICF/IID requirements identify the Conditions and Standards with which all ICF/IID facilities must be in compliance in order to qualify for certification and subsequent Medicaid reimbursement. The ICF manual specifically identifies a Condition #483.480 "Dietetic Services." This Condition has four Standards that must be met to maintain certification:

- (A) Standard: Food and Nutrition Services
- (B) Standard: Meal Services
- (C) Standard: Menus
- (D) Standard: Dining Area and Services

Within the Condition and Standards are 30 standards which identify specific requirements ranging from when meals are to be served, temperature of food, menus, etc. The services of a

“qualified dietitian” are specifically required. Additionally, the facility must be in compliance with the all of the ICF/IID regulations that govern active treatment. These Conditions and Standards dictate modifications to the living environments in each STS cottage so that each person is supported to participate and receive training in every daily living activity.

Maintenance Shop:

Maintenance staff requirements must be assessed as a function of buildings, acreage and equipment to be maintained, *not per individual* as proposed in the memorandum.

At STS, there are over 60 different physical structures to be maintained and repaired, 23 of which are homes to residents. The maintenance requirements of these buildings are considerable since the vast majority were built in the 1940s. The total square footage of all these structures is 563,547 square feet. A total of 588 acres of property need to be maintained, including grass cutting and snow removal. In addition, maintenance and repair are required on the following:

- a) STS maintenance staff provide garbage removal/recycling for the entire campus
- b) 20 miles of roads throughout the campus
- c) 6 miles of water mains
- d) 6 miles of underground high voltage electric lines
- e) 3.5 miles of underground steam lines
- f) 3.5 miles of sanitary sewer lines
- g) 2.5 miles of storm drain

STS maintenance staff provides garbage removal/recycling for the entire campus and maintains and repairs all of the commercial plumbing, heating, air conditioning, electrical and communications systems. Currently, STS maintains a total staff of only thirty-five individuals to maintain and repair all of the above. These workers include custodians, grounds crew and representatives of the various trades. This represents a 34% reduction in maintenance staffing resources since 2009.

Powerhouse:

The STS Powerhouse was built in the 1940s to provide heat and hot water to all buildings on campus which at that time totaled over fifty. Heat and hot water is supplied by high pressure steam through underground steam pipes. The Powerhouse was designed to operate on either gas or oil. There is no other viable way to provide heat and hot water to these buildings at this time.

In addition to providing heat and hot water the Powerhouse fulfills the following functions:

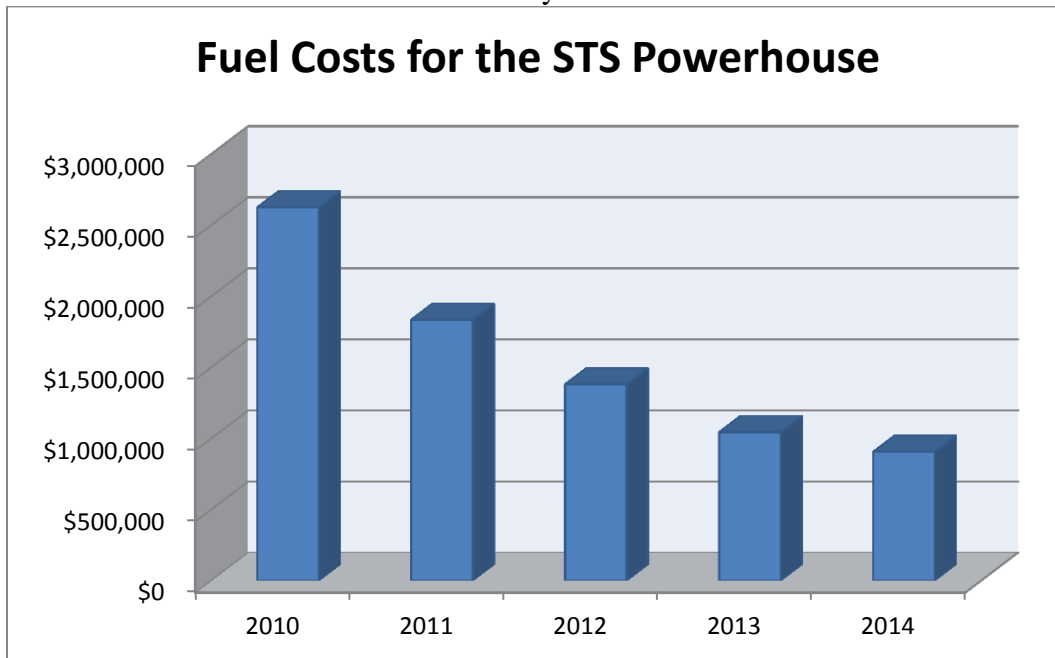
1. Pump, treat, store and distribute all drinking water for the campus.
2. Supplies all the electrical service to the campus.
3. Operates the waste water pumping station.
4. Provides emergency electrical power to the campus through a one megawatt standby generator.

As the campus continues to downsize, STS staff constantly review ways to maximize efficiencies at the Powerhouse. In December 2014, the Powerhouse ceased producing electricity during the winter which allowed for the reduction of first shift staff from three to two and the reduction during off-shifts and weekends from two to one. This will produce considerable savings by

eliminating the need for 21 shifts of projected overtime bi-weekly, for the remainder of the fiscal year and beyond.

In addition to the staffing reduction, the Powerhouse has begun the process of permanently reducing the pressure under which the steam boilers operate. It is anticipated that this process will result in savings in energy costs, but the exact amount has yet to be determined.

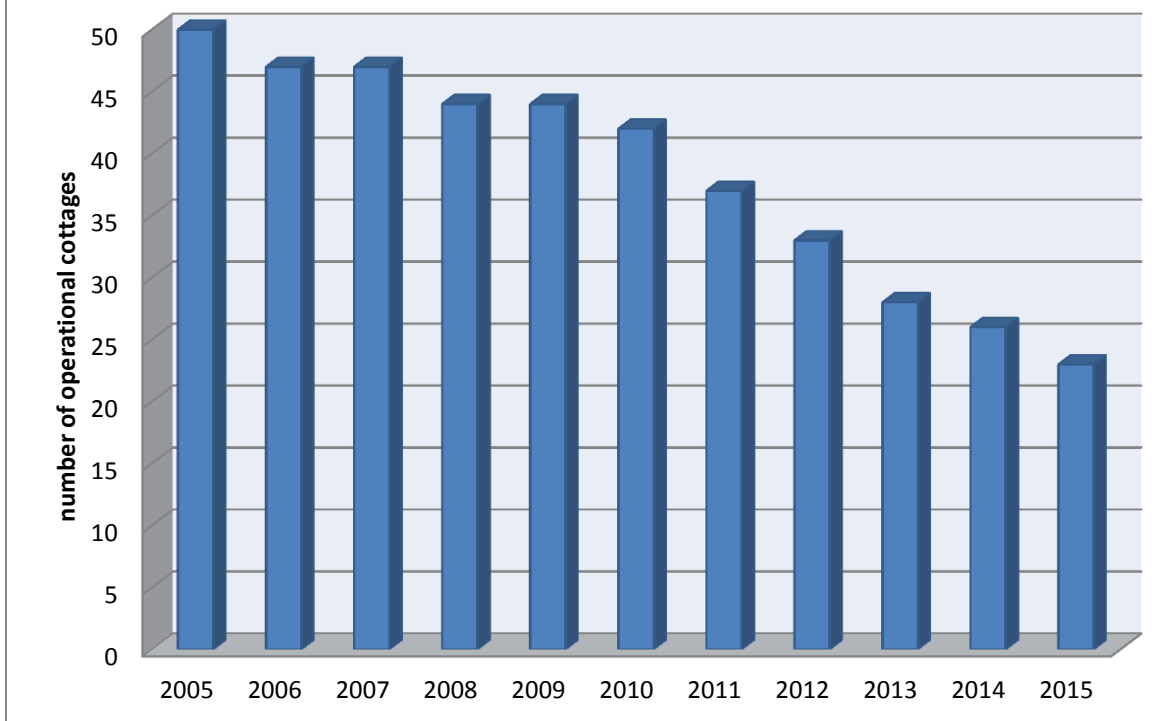
Fuel costs have been reduced substantially as identified in the chart below:



It is projected that in the 2019-2020 timeframe, the current operation of the Powerhouse can be replaced by low pressure boilers which will not require three shifts of staffing to oversee their operation. Because they will be low pressure boilers and do not require staffing oversight, there will be considerable savings in both personnel and energy costs.

To restate, STS has been continuously rightsizing its operations to match the needs of the decreasing number of individuals who live at STS. There is a clear and manageable plan that responds to the downsizing of the facility by decreasing expenditures, maintaining appropriate supports for the vulnerable aging residents served, maximizing the use of STS's critical resources, maximizing federal reimbursements to the general fund, developing a working plan with the Town of Southbury for the reuse of campus resources, and redeploying personnel and other resources. The graph below depicts the sustained effort at consolidating and downsizing homes and cottages at STS.

Southbury Training School Cottage downsizing



In conclusion, there is much to be considered when examining expenses and potential savings at Southbury Training School. DDS remains committed to working with all stakeholders to identify solutions that benefit individuals who are eligible for DDS services and supports and their families. DDS appreciates the efforts of those who have tried to help identify additional savings through a reduction in overtime at STS, though we do not believe all the savings that they have identified can be realized. We look forward to continuing discussions on this important issue.