

SUMMARY OF TESTIMONY  
PRESENTED BY C. PATRICK BABCOCK

Michigan Department of Mental Health  
August 13, 1984  
Minneapolis, Minnesota

- Michigan strongly supports the major thrust of S. 2053.
- Although we are currently involved in a comprehensive review of the proposed legislation and amendments to fully ascertain the impact on Michigan's developmentally disabled citizens, we are confident that any required modifications can be achieved without changing the fundamental framework of the bill.
- At the inception of the ICF/MR program in 1975, Michigan had 7,400 developmentally disabled persons in 12 state-operated centers and 10 private institutions. That number has been reduced to 3,400 persons. In the process, four state centers and four private institutions have been closed.
- Today, nearly 6,000 developmentally disabled persons reside in specialized foster care or small group homes primarily serving six or fewer persons.
- Of equal importance is that as we have redirected managerial, programmatic and fiscal attention from institutions to community based systems, significant change has occurred in re-establishing the importance of families, when properly supported, in regaining their role as the most appropriate caregivers and monitors of the system serving their family members.
- Based on Michigan's experience with facility closures and our current ability to effectively serve persons with high health care or behavior intervention needs, we believe that in a state with a general population in excess of 9 million, we will need less than 300 facility accommodations in 5 to 7 years, thus eliminating the institutional system as we currently know it.

As we continue to review the legislation and proposed amendments, we view the following issues as the most essential:

- 1) Eligible services must, as a priority, support persons in their own homes and, when necessary, utilize smaller settings within their own communities, utilizing natural and generic locally available services to the fullest extent possible.
- 2) The legislation must include "clear protections for employees who may be displaced as a result of facility downsizing or closures. Michigan has developed specific models for this effort. These include providing at least one year of notice of intent to close a facility, a restructuring of the pension system to provide for earlier vesting, severance pay provisions for staff in facilities targeted for reduction or closure, job referral programs and retraining opportunities.

- 3) The phase-out time period must provide sufficient time to both accommodate persons exiting institutions and those already living in the community in need of alternative residential programs and other support services.
- 4) Adequate protection and quality of care provisions for individuals in community settings, including their environment/habilitative programs and social support systems.
- 5) A clear commitment to maintain at least current levels of federal financial participation for services to the developmentally disabled as these services are transferred from the institution to the community.

8/13/84

TESTIMONY ON THE COMMUNITY AND FAMILY LIVING AMENDMENTS ACT

C. Patrick Babcock  
Michigan Department of Mental Health  
August 13, 1984  
Minneapolis, Minnesota

I am pleased to comment in support of Senate Bill 2053, also known as the Community and Family Living Amendments Act.

We in Michigan are proud of our accomplishments in developing a wide range of community based services for developmentally disabled persons.

During the last decade a number of major services have been established with the objective of maintaining persons with special needs in their community.

These include passage of:

1. mandatory Special Education spanning the ages of 0 to 25, thus far exceeding federal requirement under PL 94-142;
2. zoning legislation which has made possible the development of nearly 6,000 community residential accommodations for developmentally disabled persons who either resided in institutions or needed an alternative to institutional care;
3. a comprehensive mental health code establishing the right of individuals to less restrictive environments and a strong recipient rights system for all individuals under the public mental health aegis;

4. and most recently, passage of the Family Subsidy Act. Effective August 1 of this year, the act provides a direct subsidy equal to the federal SSI rate to families with severely disabled children living at home.

These major efforts have been accompanied by substantial expansion in day programs, family support services and specific initiatives to provide permanent homes for all developmentally disabled children, preferably in their own natural homes if possible or in adoptive or long term foster care arrangements.

Perhaps the most visible effects of these programs have been the steady decline in institutional utilization. During the past nine years, the number of people residing in facilities including state institutions and nursing homes has decreased from 7,400 to 3,150. This has led to the closure of four public and three private facilities. The Department of Mental Health has been funded to place an additional 571 persons in fiscal year 1985 and has requested funds to accommodate the further placement of 505 people in fiscal year 1986.

In the State of the State message describing major policy direction for the Michigan's mental health program, the Department of Mental Health was mandated to put in place the service and funding systems required to eliminate the use of public and private institutions for all developmentally disabled children by the end of calendar 1986.

Our own experience in closing facilities and developing the more sophisticated community systems required by persons with greater physical and health care needs demonstrates that only a very small number of developmentally disabled persons provide a challenge for community systems that we have not yet learned to meet. A noteworthy example was one closure of Plymouth Center for Human Development through a consent agreement supervised by the federal district court. Of the 834 persons residing at the facility at the beginning of the court action, 32 have not been placed or matched to a placement due to their health care needs and required level of behavioral intervention. The initial group of persons at the Plymouth Center was highly representative of the persons throughout the state institutional system. Applying the resulting percentage of the non-placed population, Michigan, with a general population of over 9 million, would at most need only 300 institutional accommodations, applying our current treatment technology.

Unfortunately, fiscal and managerial demands that existing institutional systems command have skewed the long term positive effects of well-developed and managed community based systems on developmentally disabled citizens.

Even as we are transitioning from institutional systems, we see the benefits to persons who have never been institutionalized. In Michigan, this includes reinstatement of the family as not only the most appropriate caregiver and teacher of children and young adults, but of ongoing involvement in decisions and, when provided the opportunity, in the monitoring of the community system.

Notable examples of both a change in philosophy and policy has been the implementation of the permanency planning project. A little over a year old,

the project has already successfully returned a number of children to their biological homes or led to adoption. More importantly, the project is demonstrating that when support systems exist, most families strongly desire to maintain their children at home.

For those with family members in the residential system, regional monitoring teams have been developed in the large Detroit metropolitan area. Small teams made up exclusively of family members or advocates monitor and evaluate group homes in a variety of areas, ranging from the normativeness of the environment to staff qualifications, recordkeeping and effectiveness of services.

A major component of the redirection of public policies concerning services for the developmentally disabled in the community is the transfer of resources currently used for institutional care. In spite of our progress in Michigan, 37 percent of the public mental health funding for the developmentally disabled is spent in institutions serving 9 percent of our caseload. A clear state and federal policy to redirect funding to follow the client into the community not only results in a higher degree of services for the individual, but also provides an opportunity to develop services for currently unserved or underserved individuals in the community.

The development of the community based system in Michigan has not been without its detractors. This has been especially true of our efforts at establishing small group homes and integrating them into typical neighborhoods. As stated earlier, Michigan has a comprehensive local zoning override legislation.

Although many homes are accepted at the outset, resistance in some communities has led to some 50 law suits challenging various provisions of the state law. The zoning law has been upheld in all cases to date.

The policy of developing small group homes in neighborhoods has withstood both legal and political challenges, principally because:

1. The right of persons to live where they choose is a fundamental civil right that cannot be compromised, and
2. in case after case where initial resistance is registered, the fear and apprehension of neighbors transitions to support or, as is the case in most neighborhoods today, disinterest within six months after the home is opened.

It is also noteworthy that these expansions of services have occurred during one of Michigan's deepest economic recession. This was made possible in large part because Michigan qualified all institutional beds at the beginning of the ICF/MR program and because of the relative cost effectiveness of community based vs. institutional services. The absence of federal funds for community services, however, will make this process increasingly difficult to finance. Thus, passage of S. 2053 is essential if the process is to continue. In effect, however, despite growing fiscal disincentives, Michigan has been doing as a matter of policy that which S. 2053 would mandate to maintain FFP and thus can serve as a success model from which the proposed legislation can be further refined.

Earlier this year, a state interdepartmental task force was established to review S. 2053 and recommend changes to the Michigan Congressional delegation

and the National Association for Retarded Citizens on an ongoing basis.

Although the group will not complete its work until mid-September, the intent of S. 2053 is clearly in keeping with our efforts in Michigan to continue the transition from institutions to community settings.

Among the preliminary recommended changes or enhancements of current provisions, the following are most critical:

- 1) Eligible services must, as a priority, support persons in their own homes and, when necessary, utilize smaller settings within their own communities, utilizing natural and generic locally available services to the fullest extent possible.
- 2) The legislation must include clear protections for employees who may be displaced as a result of facility downsizing or closures. Michigan has developed specific models for this effort. These include providing at least one year of notice of intent to close a facility, a restructuring of the pension system to provide for earlier vesting, severance pay provisions for staff in facilities targeted for reduction or closure, job referral programs and retraining opportunities.
- 3) The phase-out time period must provide sufficient time to both accommodate persons exiting institutions and those already living in the community in need of alternative residential programs and other support services.
- 4) Adequate protection and quality of care provisions for individuals in community settings, including their environment/habilitative programs and social support systems.

- 5) A clear commitment to maintain at least current levels of federal financial participation for services to the developmentally disabled as these services are transferred from the institution to the community.

As indicated previously, the process established to ascertain the impact of S. 2053 in Michigan will not be completed until mid-September. Our review and similar efforts in other states may lead to recommended modifications in eligibility criteria, service provisions or time frames.

It is essential, however, that the restructuring of the current Medicaid reimbursement system which fiscally both rewards and encourages use of large, often isolated and ineffective facilities occur as soon as possible.

We thank you again for this opportunity to comment on S. 2053 and look forward to working with the subcommittee.