

The Arc of Illinois

March 10, 2009

Testimony to the Senate Committee on Deficit Reduction

Tony Paulauski, Executive Director

I want to thank you members of the Senate Committee on Deficit Reduction for this invitation to provide testimony before your committee today. My topic relates to important services and supports to individuals with developmental disabilities and revenue enhancements.

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

All community services/supports to children and adults with developmental disabilities within the Division of Developmental Disabilities generally funded by the home and community based waiver. We would also request restoration of \$4.2 million in cuts to grant-funded services. These important services include respite care, supported employment, family support at other services. Restore the cuts to The Autism Program (TAP) and to fully fund the Illinois Life Span Program at \$540,000. Lastly to restore, if implemented, the projected cut of \$10 million to services within the Division of Developmental Disability.

2. What revenue enhancements would you recommend be implemented to support those areas?

The Arc of Illinois supports any increase in new revenues if those new revenues benefit services to individuals with developmental disabilities including increasing income taxes. Priority needs to concentrate on paying disability service providers on a timely basis, increasing community rates to cover actual cost of providing community services and providing services to the over 16,000 individuals on the Illinois Waiting List.

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

The Arc would oppose any effort to direct individuals with developmental disabilities or special health care needs individuals into a managed care system.

4. How can the state improve service delivery while reducing expenses?

We need to rebalance the Division of Developmental Disabilities away from institutional services and redirect those funds into the community system.

Every national study on our system has criticized Illinois for its over reliance on institutional care. Illinois has 9 state institutions housing about 2,200 individuals with developmental disabilities. Those institutions cost the state approximately \$325 million or about \$141,000 per person. The state institution at Howe is now costing us about \$60 million in state funding because the Centers for Medicare & Medicaid, CMS, found significant health and safety violations and withdrew its 50% Medicaid match! Other state institutions are also close becoming decertified by CMS as well. The death count at Howe is now at 31 with the most recent death last Monday, March 2nd while the Governor's staff and legislators were visiting the institution.

Because of the underfunding of the community system in Illinois, savings from institutional closure needs to be redirected into the community service system entirely. National ranking place our system at 51st in the development of small community living options and 47th in community spending. Other national studies on the system indicate community providers are underfunded by at least 30% in the rates paid by the state.

This is a revenue problem, not a reduction in expenses.

5. How can Illinois reduce healthcare fraud to save taxpayer dollars?

N/A

6. What deficit reduction measures do you support?

"The Blueprint for System Redesign in Illinois" provides the only real framework for policymakers. The "Blueprint" estimates that an additional \$400 to \$1 billion will be necessary to meet service demand over the next seven years.

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