

February 17, 2016

Senate President Pro Tempore Kevin de León
Assembly Speaker Toni Atkins
Senate Minority Leader Jean Fuller
Assembly Minority Leader Chad Mayes

RE: MCO Reform and Developmental Services Funding (RN 1607909)

Honorable Legislative Leaders:

The Association of Regional Center Agencies (ARCA) represents the network of 21 non-profit regional centers that coordinate services for, and advocate on behalf of, California's nearly 300,000 people with developmental disabilities.

ARCA supports, and urges your favorable consideration of, the compromise agreement that, through Managed Care Organization (MCO) reform, addresses long-standing funding and system reform needs for developmental disabilities services (as described in RN 1607909). This proposal stabilizes the system by providing a funding increase, and lays the groundwork for reform by way of a rate study.

In pursuit of this outcome, ARCA and the other members of the Lanterman Coalition have worked diligently with representatives of the Administration, and met with members of the Legislature and legislative staff.

We are fully in support of this agreement, which provides for the following:

- A 7.5% increase for salaries and benefits, for both POS & OPS
- A 2.5% increase for administrative and other costs, for both POS & OPS
- A restoration of the supported employment rates to 2006 levels
- A 5% increase for supported and independent living services
- A 5% increase for in-home and out-of-home respite services
- A 5% increase for transportation services
- An effective 5% increase for ICFs, via a 3.75% increase and elimination of prior cuts,
- The creation of competitive integrated employment programs, in the form of paid internships and incentive payments for helping individuals obtain and retain employment
- An increase in vendor audit thresholds
- A rate study plan
- Funding for bilingual staff at regional centers, cultural competency training, and parent education efforts

The developmental disabilities services system has a long history, built on both an affirmation of the rights of people with developmental disabilities and the knowledge that the most cost-effective way for the State to uphold those rights is through community-based care. Years of underfunding undermined that history and its human infrastructure, and it is only now our community has good reason to hope for our long-term stability. We urge your concurrent support of the MCO reform and this reinvestment in people with developmental disabilities.

Sincerely,

/s/Eileen Richey

Executive Director

Cc: Jennifer Troia, Policy Consultant, Office of the Senate President Pro Tempore
Marjorie Swartz, Policy Consultant, Office of the Senate President Pro Tempore
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Mark Leno, Chair, Senate Budget Committee
Jim Nielsen, Vice Chair, Senate Budget Committee
Members, Senate Budget Subcommittee #3 on Health and Human Services
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Shirley Weber, Chair, Assembly Budget Committee
Melissa Melendez, Vice Chair, Assembly Budget Committee
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Members, Senate Human Services Committee
Taryn Smith, Principal Consultant, Senate Human Services Committee
Members, Assembly Human Services Committee
Myesha Jackson, Chief Consultant, Assembly Human Services Committee

Members, Senate Public Health and Developmental Services Committee
Members, Senate Appropriations Committee (2nd Extraordinary Session)
Members, Assembly Public Health and Developmental Services Committee
Members, Assembly Finance Committee (2nd Extraordinary Session)

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