

## **Davis-Deshaies Closure Feasibility Study: Based on Bad Information, Is Fatally Flawed**

### **I. Introduction**

The 2009 Washington Legislature passed HB 1244 directing the Governor's Office of Financial Management to conduct a study on the feasibility of closure of state institutions, including how to cut 250 Residential Habilitation Centers (RHC) beds.

Action DD, a statewide group that advocates for a continuum of care for people with development disabilities, has analyzed the study and found that it suffers from the same issues as previous ones, especially flawed cost data that suggests RHC care is more costly than that delivered within the community. Previous state and national studies have documented that the cost of care at a state center is comparable to or less than the cost of providing similar care in a community-based setting. The following is Action DD's analysis and response to the study:

### **II. Study Flaws, Inadequacies**

#### **1. The report uses incomplete and erroneous cost data to perpetuate the myth that RHC care is more expensive than community-based care.**

- The study relied heavily on prior studies that have been found to have zero credibility under the scrutiny of peer review.
- Local and national studies (Mitchell, Braddock & Hemp, University of Illinois at Chicago) prove that the cost of caring for comparable clients with comparable disabilities is about the same regardless of where services are provided (RHC or community).

#### **2. Implementing the report's recommendations will not solve the state's current or future budget issues.**

- Downsizing, consolidation and closure is not a cost saving mechanism. An examination of the 2003-2005 downsizing of Fircrest shows it cost the state more than \$10 million to move 61 people.
  - Consultant Norm Davis, in Focus Group meetings, referenced the Interlake School closure and stated repeatedly that there would be no savings from RHC closures. That assertion was never included in the report, whose goal was to outline how to reduce beds.
- The study asserts that it will be at least 5 years before the state will realize any savings from bed closure. But that's just one side of the story. The report does not include the cost to provide comparable care within the community – care which the study authors acknowledge is not available now and will need to be made available before any transfers into the community could be made.
- The report's authors made assertions about cost savings but did not include complete, holistic cost data upon which they based their conclusions. After the report was published, the authors published appendices that show, once again, that the data is not an "apples to apples" comparison, in other words – comparable care for people with comparable disabilities.
  - The state (primarily DSHS) has a history of making apples to oranges comparisons in an attempt to say that RHC costs more.

- In 2004, DSHS released its cost analysis based on only 37 people to show that RHC cost more. That analysis raised many questions among legislators, legislative staff members and advocates. Friends of Fircrest attacked the numbers as comparing apples with oranges. DSHS subsequently removed the study from its website, but did nothing to refute its “analysis.”
- Kevin K. Walsh, PhD of Development Disabilities Health Alliance, Inc., of Clementon, N.J. did an independent review of the study. Based on the data used by DSHS researchers, Dr. Walsh stated: *“The DSHS study does not present valid cost comparisons with RHCs and DDD community care; as such, it does not seem warranted that public policy in Washington state should be based upon such comparisons.”*
- Further decreases to the critically essential and federally required levels of care and services for RHC residents could cause decertification of RHCs, leading, in turn, to loss of Federal reimbursement, 52-56% in 2009, to Washington State.

### 3. The study misrepresents the national picture by calling closures in a minority of states “a trend.”

The study asserts as a “key finding” that Washington State is behind the current national trend in its dependence on RHCs. **The facts are:**

- **A majority – 80% of states – recognize the necessity of a full range of options** and the Federal requirement for “choice.” Forty states have chosen to keep state-operated DD/MR residential centers as part of their continuum of care.
- **Most states have chosen to keep their safety nets and comprehensive services intact** while expanding other options to meet the needs of all citizens with DD/MR. After so many documented failures in the community service systems, **the pendulum is swinging towards RHCs**, which have proven to be safe, cost effective and compassionate ways to provide quality care to people with severe and profound developmental disabilities. Example: This year, Delaware rebuilt & reopened Stockley Center as a state-of-the-art ICF/MR.
- Washington is a recognized national leader in how it delivers a full continuum of care to its residents with developmental disabilities. Its **RHCs have been cited as centers of excellence and provide a model for other states to replicate** in the provision of care and services to people with DD/MR. RHCs are a tremendous resource not just to their residents, but to their communities.

### III. Why We Need RHCs

**Not everyone can live at home or in a community-based setting.** We must provide a *full continuum* of care for our state’s residents with developmental disabilities. RHCs are a critical part of that continuum, caring for the most fragile and vulnerable and behaviorally challenged.

- The U.S. Supreme Court’s Olmstead Decision (1999) obligates the states to maintain a full range of residential settings for the care and treatment of individuals with diverse mental abilities. The Olmstead Decision also requires states to provide the “least restrictive residential setting.” For many, the state centers are just that.
- RHC’s are the safety net for respite care and for patients in crisis. Without RHC’s, emergency services will fall to Police and Fire Departments, Emergency Rooms and Mental Health Centers. This not only is bad for people, but actually increases taxpayer costs.

**Make better use of what we have. Expanding community access to RHC’s high quality services is a cost-effective and efficient way to provide more and better services to those who need it.**