

POLICY ANALYSIS SERIES

ISSUES RELATED TO WELSCH v. GARDEBRING/NO. 23

AN UPDATE TO POLICY ANALYSIS SERIES NO. 6-9 AND 17

THE FINANCIAL, CLIENT, AND PROGRAM STATUS OF MINNESOTA
DEVELOPMENTAL ACHIEVEMENT CENTERS: 1980-1984

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I. INTRODUCTION AND REVIEW OF LITERATURE

The purpose of this policy analysis paper is to examine the data and the trends in the provision of services for persons in Developmental Achievement Centers (DACs). Since 1981, the Developmental Disabilities Council in conjunction with the Department of Human Services (Mental Retardation Division) have surveyed DACs throughout Minnesota to gather financial, program, and client information.

In 1981, the survey of DACs was conducted on-site at the DAC by personnel of the Department of Human Services and the Developmental Disabilities Council to collect information for both 1980 and 1981. This information was published by the Developmental Disabilities Council (*Policy Analysis Papers No. 6, 7, 8, and 9*). In subsequent years, the survey has been conducted by mail. After the surveys were returned, editing and statistical procedures were performed and the information was published. The 1982 information was published by the Developmental Disabilities Council (*Policy Analysis Paper No. 17*). The 1983 information was published by the Department of Human Services (Informational Bulletin No. 85-28).

During the 1983 legislative session, the Legislature authorized the Department of Human Services to secure funding for community-based services as "waivered services" under Title XIX (Medical Assistance). The law (1983 Laws of Minnesota, Chapter 312, Article 9, Section 7) outlined waived services to include: case management, family training and support, developmental training homes, supervised living arrangements, semi-independent living services, respite care, and training and habilitation services. The waiver allows federal funding for community-based services previously unfunded with federal Medicaid dollars. The legislation authorized the Department of Human Services to amend the Medical Assistance Plan to place DACs under Title XIX for those persons who reside in Intermediate Care Facilities for the Mentally Retarded (ICFs-MR). DACs can receive Medicaid reimbursement for training and habilitation services either as a waived service or to residents of ICF-MR facilities. Individuals who are not residents of ICF-MR facilities or covered under other waived services programs continue to have their DAC services reimbursed under the Community Social Services Act (CSSA). CSSA funds include local county tax levies, state CSSA appropriations, and federal Title XX dollars.

Chapter 312 also authorized the commissioner of the Department of Human Services to establish procedures and rules for reimbursement rates. The commissioner received per diem rates and maximum per client annual payment limitations from local county boards for 1983 as a basis for determining 1984 rates. For 1984 and subsequent years, rates were allowed to increase based on projections in the percentage change in the Consumer Price Index (CPI) all urban for the Minneapolis-St. Paul area. The CPI is available only for the Minneapolis-St. Paul area.

Finally, Chapter 312 established reimbursement under Medicaid for up to 210 days of training and habilitation services per year. In addition, DACs were required to submit to their county board and the Department of Human Services an annual report of actual program revenues and expenditures, client information, and program information. The report is due by March 1 for the previous calendar year of operation.

For a detailed summary of the 1980-1982 DAC survey results, the reader is referred to *Policy Analysis Papers No. 6, 7, 8, 9, and 17*. These reports provide background for day programs in Minnesota and the basis for this presentation of trends in DACs over the last four years.

II. METHODOLOGY

The 1983 and 1984 surveys were conducted by mail by the Department of Human Services (Mental Retardation Division). Follow-up calls were made by personnel of the Mental Retardation Division to collect missing information or to clarify unclear information. The results of the 1983 and 1984 surveys were published and distributed under the Department of Human Services auspices.

The Department of Human Services sent copies of the surveys as they were received to staff members of the Developmental Disabilities Council for tabulation. The 1983 forms were tabulated over a period of two years and the results were not published. There are minor differences in results due to editing procedures.

The 1984 survey was again duplicated by the Department of Human Services and sent to the Developmental Disabilities Council. From December 1985 to late March 1986, the results were tabulated and compared with results from the Department of Human Services. The Department of Human Services results did not include five agencies which did not completely respond to the survey. Follow-up phone calls were completed by staff members of the Developmental Disabilities Council to secure missing information. The additional information is included in these results.

Once all five years of information became available, trend analysis techniques were performed on selected financial and program items.

III. SURVEY RESULTS

The format of the 1983 and 1984 surveys changed in a number of minor ways. For the purpose of this report, information will be presented in two major sections: financial results and client profile. Financial information includes: (a) revenues, (b) expenditures, (c) per diems, and (d) licensed capacity. Client information includes: (a) client characteristics for age, (b) level of functioning, (c) place of residence, (d) client movement, and (e) waiting lists. The information has been separated into adult and children's programs where applicable.

A. Financial Results

The financial results will consist of a review of revenues, expenditures, per diem rates, and licensed capacity.

1. Revenues

The total revenue for Minnesota developmental achievement centers (DACs) has grown from \$22,890,077 in 1980 to \$35,567,043 in 1984, as shown in Table 1, an increase of 55.4 percent. During that same time period, government revenues have increased \$11,619,904. Government revenues continue to be the predominant source of revenue, accounting for over 93 percent of total revenue. Revenue from other sources account for nearly 5 percent of total revenue, and in 1984 totaled \$1,751,574, an increase of 89.8 percent since 1980. Family support provides the remaining and smallest source of revenue. Family support accounts for less than 2 percent of total revenue and has fluctuated since 1980, reaching its peak in 1984 at \$630,060.

Table 1
Source of Revenue
Minnesota DACs: 1980-1984

| Source | 1980 | 1981 | 1982 | 1983 | 1984 |
|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Government | \$21,566,315 | \$24,650,217 | \$25,641,453 | \$29,037,808 | \$33,185,409 |
| Family support | 401,072 | 454,509 | 498,648 | 278,385 | 630,060 |
| Other | 922,690 | 872,062 | 1,264,513 | 1,433,998 | 1,751,574 |
| TOTAL | \$22,890,077 | \$25,976,788 | \$27,404,614 | \$30,750,191 | \$35,567,043 |

Table 2 presents total adult program revenues which has increased from \$18,443,520 in 1981 to \$26,445,016 in 1984, an increase of 43.4 percent. As a percentage of total revenues for DACs, adult programs have accounted for 71 percent of total revenues in 1981, which has increased to 74.4 percent of total revenues in 1984. In contrast, children's programs are receiving a continually smaller share of total DAC revenues.

Table 2
Source of Revenue — Adult Programs
Minnesota DACs: 1981-1984

| Source | 1981 ^a | 1982 | 1983 | 1984 |
|----------------|---------------------|---------------------|---------------------|---------------------|
| Government | \$17,853,327 | \$18,708,612 | \$21,731,984 | \$25,093,230 |
| Family support | 36,887 | 54,800 | 85,854 | 135,919 |
| Other | 553,306 | 853,108 | 748,592 | 1,215,867 |
| TOTAL | \$18,443,520 | \$19,616,520 | \$22,566,430 | \$26,445,016 |

^aRevenues were not separated by program for 1980 or 1981. Figures for 1981 are based on percentages and trends for 1982-1984.

Adult programs receive nearly 95 percent of their funds from government sources. As stated earlier, beginning in 1984 DACs were eligible for reimbursement under Medical Assistance. Adults who were eligible for Medical Assistance had their costs reimbursed by Medical Assistance rather than Community Social Services Act (CSSA). In 1984, Medical Assistance revenues accounted for \$14,072,483 out of total government revenues of \$25,445,016 for adult programs. Medical Assistance revenues represented 55.3 percent of government revenues for adult programs and 39.6 percent of total revenues.

Adjusting for inflation, which increased 16.4 percent in the Minneapolis-St. Paul metropolitan area from 1982-1984¹, adult revenues have increased 23 percent in real dollar terms since 1981. (In a later section, the increase in attendance will be discussed.)

Table 3 provides a breakdown of source of revenues for children's programs within DACs. From 1981 to 1984, revenues increased 21.1 percent or \$1,588,759. The area of largest dollar growth was government revenues. Government revenues are declining as a percentage of total revenue, 88.8 percent of revenues in 1984, compared to 90.2 percent in 1981, because of the percentage increase in family support and other sources of revenue.

Table 3
Source of Revenue — Children's Programs
Minnesota DACs: 1981-1984

| Source | 1981 ^a | 1982 | 1983 | 1984 |
|----------------|--------------------|--------------------|--------------------|--------------------|
| Government | \$6,796,890 | \$6,932,841 | \$7,305,824 | \$8,092,179 |
| Family support | 417,622 | 443,848 | 192,531 | 494,141 |
| Other | 318,756 | 411,405 | 685,406 | 535,707 |
| TOTAL | \$7,533,268 | \$7,788,094 | \$8,183,761 | \$9,122,027 |

^aRevenues were not separated by program for 1980 or 1981. Figures for 1981 are based on percentages and trends for 1982-1984.

Again adjusting for inflation from 1982-1984, children's revenues in real dollar terms increased 4.1 percent during this time period.

¹United States Department of Labor, Bureau of Labor Statistics, 1982-1984.

For both adult and children's programs, the largest dollar increases and percentage increases occurred between 1983 and 1984.

2. Expenditures

Expenditures are separated into four areas: personnel, transportation, occupancy costs, and program/other costs.

Expenditures have increased \$11,966,085 since 1980, as shown in Table 4, representing an increase of 52.7 percent. Personnel costs continue to be the largest expenditure accounting for nearly 64 percent of total expenditures, compared to 62 percent in 1980. Over the five-year period, personnel costs have increased 56.3 percent; transportation costs have increased 24.2 percent; occupancy costs have increased 83.9 percent; and program/other costs have increased 49.6 percent. Using the Consumer Price Index for Minneapolis-St. Paul for the same period of time, total personnel expenditures have increased 19.6 percent in real dollar terms since 1980.

Table 4
Expenditures
Minnesota DACs: 1980-1984

| Area | 1980 | 1981 | 1982 | 1983 | 1984 |
|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Personnel | \$14,173,662 | \$16,464,810 | \$16,957,503 | \$18,807,270 | \$22,147,374 |
| Transportation | 3,404,447 | 3,938,703 | 3,571,041 | 3,990,639 | 4,227,490 |
| Occupancy | 1,828,857 | 2,177,981 | 2,643,556 | 3,141,202 | 3,362,395 |
| Program/other | 3,295,532 | 3,414,507 | 4,031,498 | 4,116,305 | 4,931,324 |
| TOTAL | \$22,702,498 | \$25,996,001 | \$27,203,598 | \$30,055,416 | \$34,668,583 |

Table 5 shows the breakdown of expenditures for adult programs for 1981 to 1984. Like revenue, adult program expenditures account for the majority of total expenditures, 72.5 percent in 1984, up from 70 percent in 1980. Adult program expenditures have increased 38 percent since 1981. The changes in order of magnitude include occupancy (72.2 percent), program and other (46.4 percent), personnel (39.7 percent), and transportation (6.9 percent).

Table 5
Expenditures for Adult Programs
Minnesota DACs: 1981-1984

| Area | 1981 ^a | 1982 | 1983 | 1984 |
|----------------|---------------------|---------------------|---------------------|---------------------|
| Personnel | \$11,707,542 | \$12,040,646 | \$13,751,366 | \$16,350,208 |
| Transportation | 2,846,871 | 2,540,144 | 2,815,724 | 3,042,658 |
| Occupancy | 1,601,354 | 1,991,526 | 2,494,313 | 2,756,767 |
| Program/other | 2,041,434 | 2,493,359 | 2,498,353 | 2,988,601 |
| TOTAL | \$18,197,201 | \$19,065,675 | \$21,559,756 | \$25,138,234 |

^aExpenditures were not separated by program for 1980 and 1981. Figures for 1981 are based on percentages and trends for 1982-1984.

Within adult programs, personnel costs continue to be the major expenditure, accounting for 65 percent of expenditures in 1984, compared to 64.3 percent in 1981. Adult occupancy costs have grown to account for 11.0 percent of total expenditures from 8.8 percent in 1981. Adult transportation costs comprise 12.1 percent of expenditures, and program and other costs comprise 11.9 percent in 1984.

Table 6 summarizes the breakdowns of expenditures for children's programs from 1981 to 1984. Children's program expenditures have increased 21.9 percent since 1981; however, more than two-thirds of that increase occurred from 1983 to 1984.

Table 6
Expenditures for Children's Programs
Minnesota DACs: 1981-1984

| Area | 1981 ^a | 1982 | 1983 | 1984 |
|----------------|--------------------|--------------------|--------------------|--------------------|
| Personnel | \$4,757,268 | \$4,916,857 | \$5,055,904 | \$5,797,166 |
| Transportation | 1,091,832 | 1,030,897 | 1,174,915 | 1,184,832 |
| Occupancy | 576,627 | 652,030 | 646,889 | 605,628 |
| Program/other | 1,373,073 | 1,538,139 | 1,617,952 | 1,942,723 |
| TOTAL | \$7,798,800 | \$8,137,923 | \$8,495,660 | \$9,530,349 |

^aExpenditures were not separated by program for 1980 and 1981. Figures for 1981 are based on percentages and trends for 1982-1984.

Children's expenditures increased \$1,731,549 since 1981. Children's personnel costs increased 21.9 percent, transportation costs have increased 8.5 percent, occupancy costs are up 5.0 percent, and program and other costs are up 41.5 percent. After adjusting for inflation based on the Consumer Price Index for Minneapolis-St. Paul (1981-1984), personnel costs increased 4.7 percent, and total expenditures for children's programs increased 5.0 percent.

Like adult programs, children's programs spent the majority of their expenditures for personnel costs. In 1984, 61 percent of the total expenditures were for personnel costs, the same percentage as in 1981. As a percentage of total expenditures, transportation costs decreased from 14 percent to 13 percent, and occupancy costs decreased from 8 percent to 6 percent. Program and other costs increased from 18 percent in 1981 to 21 percent in 1984.

3. Per Diems

Per diem rates were reported for both program and transportation costs. Since 1981, some programs have reported a single per diem rate which includes both program and transportation per diems. This reporting approach is reflected when comparing the number of DACs who have per diems for program and transportation costs versus the number of DACs who have a combined per diem rate.

Adult program per diems for incenter programs have increased from \$19.32 in 1980 to \$24.47 in 1984, an increase of 26.7 percent. In comparison, adult program per diems for homebound programs have remained rather constant. In 1980, the adult homebound program per diem was \$29.45, while in 1984, it was \$30.03, an increase of 2.0 percent. The adult homebound program per diem has fluctuated over the years reaching a high in 1983 before dropping off again in 1984. This change could be due to the small number of DACs offering this service.

The children's program per diems for incenter programs increased to \$34.13 in 1984 from \$29.07 in 1980. This represented an increase of 17.4 percent. Children's homebound per diems have also shown a steady increase from \$36.55 to \$43.30 in 1984, an increase of 18.5 percent.

Table 7
Average Program Per Diems
Minnesota DACs: 1980-1984

| Per Diem | 1980 | 1981 | 1982 | 1983 | 1984 |
|-------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
| Adult Program | | | | | |
| • Incenter | \$19.32 N = 99 | \$21.00 N = 99 | \$22.14 N = 100 | \$23.53 N = 99 | \$24.47 N = 99 |
| • Home-based | \$29.45 N = 6 | \$30.07 N = 6 | \$33.81 N = 4 | \$34.91 N = 5 | \$30.03 N = 5 |
| Children Program | | | | | |
| • Incenter | \$29.07 N = 56 | \$31.73 N = 54 | \$33.45 N = 51 | \$33.48 N = 52 | \$34.13 N = 53 |
| • Home-based | \$36.55 N = 40 | \$36.72 N = 40 | \$40.79 N = 40 | \$42.54 N = 43 | \$43.30 N = 38 |

Transportation per diems have also shown a general increase but not as great as program per diems. The adult incenter transportation per diem has fluctuated over the years reaching its high in 1984 at \$4.39. This represents an increase of 7.1 percent since 1980.

Adult homebound transportation per diem is rarely charged; and in 1984, a per diem was charged by one program at \$1.41.

Children incenter transportation per diem has also fluctuated, reaching a high in 1984 of \$6.73. This change represents a growth of 21.0 percent since 1980.

Children homebound transportation per diem reached its peak in 1981 at \$5.52, which decreased to \$3.81 in 1982.

In 1984, the per diem rate was \$5.34, an increase of 5.1 percent since 1980.

Table 8
Average Transportation Per Diems
Minnesota DACs: 1980-1984

| Per Diem | 1980 | 1981 | 1982 | 1983 | 1984 |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|
| Adult Transportation | | | | | |
| • Incenter | \$4.10 N = 97 | \$4.33 N = 96 | \$4.05 N = 93 | \$4.29 N = 95 | \$4.39 N = 96 |
| • Home-based | \$4.05 N = 2 | \$4.76 N = 2 | 0.00 N = 0 | \$5.43 N = 1 | \$1.41 N = 1 |
| Children Transportation | | | | | |
| • Incenter | \$5.56 N = 53 | \$6.19 N = 50 | \$6.02 N = 41 | \$5.87 N = 43 | \$6.73 N = 44 |
| • Home-based | \$5.08 N = 3 | \$5.52 N = 3 | \$3.81 N = 3 | \$5.28 N = 5 | \$5.34 N = 8 |

4. Licensed Capacity

Table 9 shows licensed capacity for children and adult programs from 1981 to 1984.

Table 9
Licensed Capacity
Minnesota DACs: 1980-1984

| Type of Program | 1980 | 1981 | 1982 | 1983 | 1984 |
|-----------------|--------------|--------------|--------------|--------------|--------------|
| Children | 1,092 | 1,148 | 1,208 | 1,329 | 1,311 |
| Adult | 4,243 | 4,436 | 4,869 | 5,088 | 5,268 |
| TOTAL | 5,335 | 5,584 | 6,077 | 6,417 | 6,579 |

Adult licensed capacity has grown over 1,000 additional placements since 1980, an increase of 24.2 percent. By 1984, adult programs had an average licensed capacity of 53. The smallest adult licensed capacity is 10 and the largest adult licensed capacity is 300.

Licensed capacity for children's programs has also grown but not as dramatically as adult programs. There has been an expansion of over 200 placements since 1980, representing an increase of 20.1 percent. The average licensed capacity of a children's program was 25 in 1984. The smallest children licensed capacity is 4, and the largest children licensed capacity is 138.

B. Client Results

The client results will be presented in the following order: (1) client characteristics, (2) client movement, and (3) waiting lists.

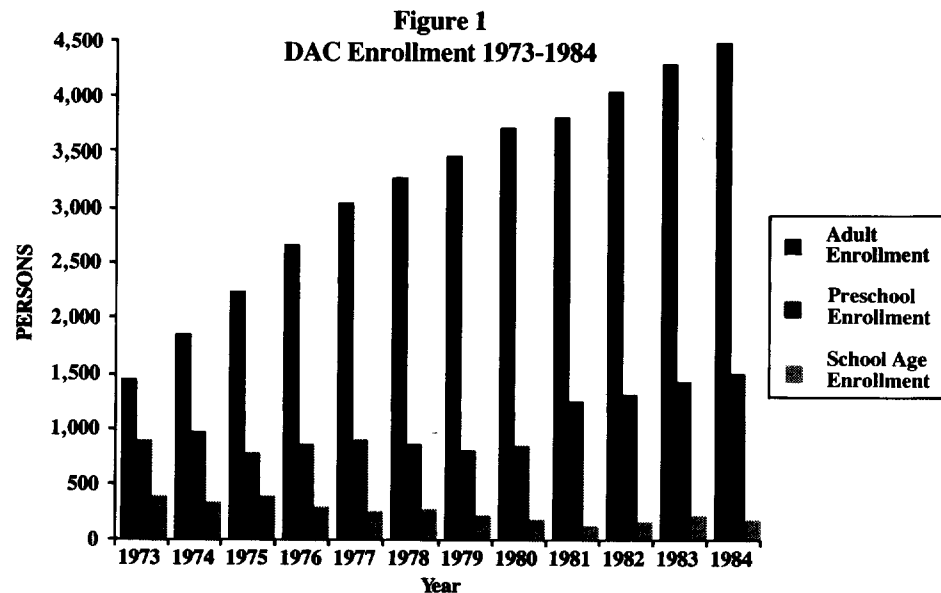
1. Client Characteristics

Age: Table 10 presents DAC enrollment totals for 1981 through 1984 by age categories. The age categories show that enrollment has increased by nearly 1,000 persons since 1981, an increase of 18.5 percent. Figure 1 shows that since 1973, adult enrollment has tripled from less than 1,500 to near 4,500 by 1984. Preschool enrollment has shown a steady growth since 1973, while school-age enrollment has declined. Enrollment in 1984 totaled 6,105 persons in 107 programs.

Table 10 shows that the age group of 21 years old to 50 years old continues to be the largest age group served. Of the 951 additional persons being served in 1984 over 1981, 590 of them were between the ages of 21 and 50. The second largest increase in numbers was an increase of 184 children in the 2 to 4 age group.

Table 10
Number of Clients by Age: Statewide Totals
Minnesota DACs: 1981-1984

| Age of Client | 1981 | 1982 | 1983 | 1984 |
|-------------------------|--------------|--------------|--------------|--------------|
| Birth up to 2 years | 455 | 487 | 487 | 506 |
| 2 years up to 4 years | 801 | 818 | 926 | 985 |
| 4 years up to 21 years | 134 | 149 | 179 | 189 |
| 21 years up to 50 years | 2,892 | 3,083 | 3,314 | 3,482 |
| 50 years up to 65 years | 699 | 670 | 715 | 723 |
| 65 years and older | 173 | 192 | 194 | 220 |
| TOTAL | 5,154 | 5,399 | 5,815 | 6,105 |



As a percentage of total enrollment, there has been little change in the age group percentages from 1981 to 1984. Adults ages 21 to 50 comprise 57 percent of the population in 1984, compared to 56.1 percent in 1981. Children age birth to four comprise 24.3 percent of the population in 1981, compared to 24.4 percent in 1984. The percentage of individuals 50 years and older has actually declined from 17 percent to 15.4 percent in 1984. This is due to the increasing number of persons of other ages who are entering DACs in comparison to persons 50 years and older. This should not confound the fact that 943 persons are in this age group in 1984 compared to 872 in 1981.

Level of Functioning: Tables 11 and 12 present a summary of the number of adults and children by level of functioning and by year.

Table 11 shows figures for adult programs by level of functioning from 1981 to 1984. This table shows that adult enrollment has increased by 673 adults, or 17.7 percent since 1981. The bulk of that increase has occurred in three categories: persons who are mildly retarded increased 236 persons or 42.9 percent; persons who are profoundly retarded increased 177 persons or 40.5 percent; and persons who are severely retarded increased 159 persons or 12.1 percent. These figures indicate that adults who were new admissions to DACs during this period were most likely to be in the mild, severe, or profound levels of mental retardation compared to other levels of functioning. These three levels of functioning comprise 64 percent of the adult population in 1984, compared with 60.6 percent in 1981.

Table 11
Number of Adults by Level of Functioning
Minnesota DACs: 1981-1984

| Level of Functioning | 1981 | 1982 | 1983 | 1984 |
|-------------------------|--------------|--------------|--------------|--------------|
| Not mentally retarded | 19 | 22 | 18 | 21 |
| Borderline | 131 | 159 | 155 | 157 |
| Mild | 550 | 697 | 784 | 786 |
| Moderate | 1,299 | 1,294 | 1,318 | 1,303 |
| Severe | 1,316 | 1,322 | 1,390 | 1,475 |
| Profound | 437 | 469 | 486 | 614 |
| Unknown or undetermined | 48 | 40 | 134 | 117 |
| TOTAL | 3,800 | 4,003 | 4,285 | 4,473 |

As a percentage of total adult enrollment, individuals with moderate and severe levels of functioning have declined. The severe level has declined from 35 to 33 percent, and the moderate level has declined from 34 to 29 percent. The increase in percentages, as a percentage of total adult enrollment, has occurred in the mild and profound levels of functioning. Mild has increased from 15 to 18 percent, and profound from 11 to 14 percent.

Table 12 shows figures for children's programs by level of functioning from 1981 to 1984. Children's program enrollment has increased by 278 children from 1981, an increase of 20.5 percent. Since 1981, a growing number of children has not been diagnosed as to a particular level of functioning as evidenced by the increase of 786 children, in the unknown or undetermined category. Every other category of level of functioning has shown a decrease in the number of children since 1981. By 1984, 78 percent of the children were unknown or undetermined in terms of level of functioning. This change compared to a 36.4 percent figure in 1981.

Table 12
Number of Children by Level of Functioning
Minnesota DACs: 1981-1984

| Level of Functioning | 1981^a | 1982 | 1983 | 1984 |
|-----------------------------|-------------------------|--------------|--------------|--------------|
| Not mentally retarded | 130 | 111 | 44 | 44 |
| Borderline | 104 | 58 | 121 | 48 |
| Mild | 166 | 92 | 66 | 53 |
| Moderate | 267 | 151 | 133 | 105 |
| Severe | 139 | 63 | 58 | 63 |
| Profound | 55 | 45 | 39 | 40 |
| Unknown or undetermined | 493 | 876 | 1,069 | 1,279 |
| TOTAL | 1,354 | 1,396 | 1,530 | 1,632 |

^aFigures for 1981 were divided into infant/preschool/school-age/and adult. Figures in this table for 1981 are a compilation of infant, preschool, and school-age.

Place of Residence: Tables 13 and 14 show the breakdown of adults and children by place of residence for 1981 to 1984.

Table 13 is the breakdown for the number of adults in each residential setting for 1981 to 1984. ICF-MR facilities continue to be the predominant place of residence for 2,626 adults in 1984, or 58.7 percent of the adult population. This compares to 2,114 adults in 1981 (55.6 percent). Of the 673 additional adults in DACs in 1984, 512 of them were residing in ICF-MR facilities.

Table 13
Number of Adults by Place of Residence
Minnesota DACs: 1981-1984

| Residential Setting | 1981^a | 1982 | 1983 | 1984 |
|------------------------------|-------------------------|--------------|--------------|--------------|
| Natural/adoptive home | 1,115 | 1,108 | 1,103 | 1,111 |
| Foster care home | 139 | 130 | 179 | 222 |
| ICF-MR group home | 2,114 | 2,328 | 2,460 | 2,626 |
| Semi-independent living | 67 ^b | 40 | 146 | 60 |
| Independent living | | 51 | 30 | 43 |
| Board and care/board lodging | 104 | 99 | 135 | 104 |
| Nursing home | 232 | 247 | 199 | 183 |
| Other | 29 | 0 | 33 | 124 |
| TOTAL | 3,800 | 4,003 | 4,285 | 4,473 |

^aFigures for 1981 were divided into adult and children's programs. Figures in Table 13 and 14 for 1981 are an approximation based on trends and percentages for 1982-1984.

^bFor 1981, the residential settings of semi-independent living and independent living were not distinguished.

The number of adults living in their natural or adoptive home has remained steady, 1,115 adults in 1981 compared to 1,111 adults in 1984 but has declined as a percentage of total enrollment from 29 percent in 1981 to 25 percent in 1984. Growth has occurred both in numbers and percentage of adults residing in foster care homes. There was an increase of 83 adults residing in foster care homes from 1981 to 1984. Growth has also occurred for adults residing in semi-independent living settings and independent living. However, there was a dramatic decline from 146 to 60 in the number of adults in semi-independent living services from 1983 to 1984. The number of adults residing in nursing homes has also shown a steady decline.

Table 14 is the summary for place of residence for children from 1981 to 1984. As indicated before, the number of children enrolled has increased 278, and the number of children residing in natural or adoptive homes has increased by 301 since 1981. Natural or adoptive home is the residential setting for 95 percent of the children in 1984, compared with 92 percent in 1981. The number of children in foster care homes increased by 35 from 1981 to 1983 but declined in 1984 by 50 children.

Table 14
Number of Children by Place of Residence
Minnesota DACs: 1981-1984

| Residential Setting | 1981^a | 1982 | 1983 | 1984 |
|------------------------------|-------------------------|--------------|--------------|--------------|
| Natural/adoptive home | 1,247 | 1,294 | 1,398 | 1,548 |
| Foster care home | 92 | 90 | 127 | 77 |
| ICF-MR group home | 15 | 11 | 4 | 6 |
| Semi-independent living | 0 | 0 | 0 | 0 |
| Independent living | 0 | 0 | 0 | 0 |
| Board and care/board lodging | 0 | 0 | 0 | 0 |
| Nursing home | 0 | 0 | 0 | 0 |
| Other | 0 | 1 | 1 | 1 |
| TOTAL | 1,354 | 1,396 | 1,530 | 1,632 |

^aFigures for 1981 were divided into adult and children's programs. Figures in Table 13 and 14 for 1981 are an approximation based on trends and percentages for 1982-1984.

2. Client Movement

Tables 15 and 16 summarize client movement for adult and children's programs. Client movement accounts for increases by new admissions, readmissions, and the decreases by transfer/demission, and deaths.

Table 15 is the summary of client movement for adult programs for 1980 to 1984. New admissions totaled 3,025 adults over the five years, an average of 605 per year. Readmissions totaled 465, an average of 93 per year. The number of adults transferred or demitted totaled 1,930, an average of 386 per year. The number of deaths averaged 23 per year.

By adding new admissions to readmissions, and subtracting transfers/demissions and deaths, there was a net of 1,445 adults. This number should reflect the actual increase in adult enrollment, but actual enrollment only increased 673 adults from 1981 to 1984. (Net movement for this same period showed an increase of 1,178 adults.) There could be many reasons for this difference. One possible explanation deals with the accounting for readmissions. If readmissions are not included as a part of enrollment increases, the net increase in adults would be 783 rather than 1,178 adults, a figure closer to actual enrollment increases of 673 adults. The discrepancy is probably due to differences in reporting.

Table 15
Client Movement: Adult Programs
Minnesota DACs: 1980-1984

| Client Movement | 1980 | 1981 | 1982 | 1983 | 1984 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| New admissions | 555 | 613 | 639 | 602 | 616 |
| Readmissions | 70 | 89 | 72 | 115 | 119 |
| Transfers/demissions ^a | (330) | (389) | (436) | (379) | (396) |
| Deaths ^a | (28) | (12) | (23) | (26) | (26) |
| NET INCREASE | 267 | 301 | 252 | 312 | 313 |

^aNumbers in parenthesis for transfers/demissions and deaths indicate a decrease in adult enrollment.

Table 16 is the summary of client movement for children's programs. Children's programs show a larger number of admissions and transfer/demissions as compared with adult programs. New admissions totaled 4,548 over the five years, an average of 910 per year. Re-admissions averaged 64 per year. Transfer/demissions totaled 4,161, an average of 832 children per year. Net movement showed an increase of 615 children, an average of 123 per year. This figure compares to actual increase in enrollment of 278 children.

Table 16
Client Movement: Children's Programs
Minnesota DACs: 1980-1984

| Client Movement | 1980 | 1981 | 1982 | 1983 | 1984 |
|-----------------------------------|------------|-------------|------------|------------|------------|
| New admissions | 943 | 912 | 951 | 854 | 888 |
| Readmissions | 37 | 28 | 25 | 114 | 115 |
| Transfers/demissions ^a | (797) | (941) | (834) | (708) | (881) |
| Deaths | (22) | (18) | (21) | (17) | (13) |
| NET INCREASE | 161 | (19) | 121 | 243 | 109 |

^aNumbers in parenthesis for transfers/demissions and deaths indicate a decrease in children enrollment.

3. Waiting Lists

Table 17 is a summary of the number of adults and children on waiting lists at the end of four calendar years. As a whole, the total number of persons on waiting lists has remained somewhat constant, ranging between 368 and 449 persons. The total number of persons on waiting lists in 1984 was 402. While these figures show stability in the total numbers on waiting lists, actual numbers show a decline in the number of children and a corresponding increase in the number of adults.

The number of children on waiting lists reached a high in 1981 of 147, and decreased to a low of 58 in 1984. Most children on the waiting lists have historically been on a waiting list in the Twin Cities metropolitan area. Adults on waiting lists has slowly grown from 302 in 1981 to 344 in 1984.

There is often duplication in these figures between DACs and work activity centers. Again, many of the adults who are on a waiting list are on a waiting list for services in the Twin Cities.

Table 17
Waiting Lists: Adult and Children's Programs
Minnesota DACs: 1981-1984

| Type of Program | 1981 | 1982 | 1983 | 1984 ^a |
|-----------------|------------|------------|------------|-------------------|
| Children | 147 | 82 | 67 | 58 |
| Adults | 302 | 320 | 301 | 344 |
| TOTAL | 449 | 402 | 368 | 402 |

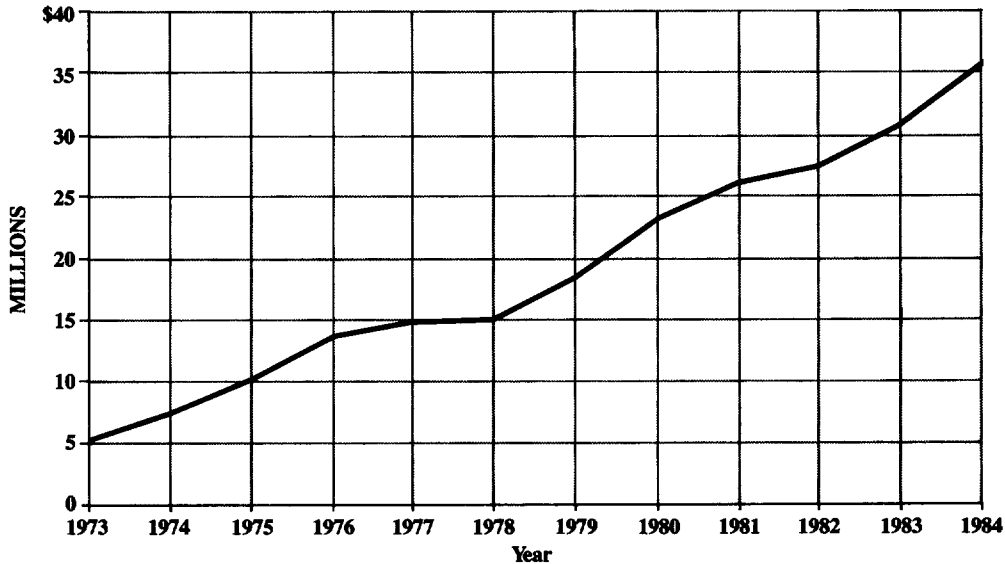
^aFigures represent unduplicated count for each year but 1984.

IV. SUMMARY AND CONCLUSIONS

A. Financial

1. As Figure 2 illustrates, DAC revenues have increased from \$5.3 million in 1973 to \$35.6 million in 1984. During the same time period, enrollment has increased from 3,125 to 6,105 persons.

Figure 2
DAC Revenue 1973-1984^a
Minnesota DACs 1973-1984



^aRevenues from 1973 to 1977 and 1979 are based on approximations from allocations found in state laws. The 1978 revenue figure is from a study conducted by the Department of Human Services. Figures from 1980 to 1984 are based on surveys conducted by the Developmental Disabilities Program and the Department of Human Services.

2. DAC revenues have changed and have been altered throughout history. Originally, DACs were funded as grants-in-aid from the state of Minnesota for up to 50 percent of operating costs, and in later times up to 60 percent of total costs. Since then changes have been made to capitalize on federal dollars through Title XX and most recently Medicaid (Title XIX). The percentage of revenues from counties has declined especially with the use of Medicaid. For 1984, Medicaid dollars accounted for 39.4 percent of total revenues.
3. Since 1981, adult expenditures have increased from \$18,197,201 to \$25,138,234 in 1984. The average cost per adult in 1981 was \$4,789, and the average cost per adult increased to \$5,620 in 1984. Considering the impact of inflation, costs have kept pace with the higher costs of living. Adjusting the 1981 average cost figure of \$4,789 forward to 1984 with the increases in inflation, the cost in 1984 would be \$5,572. The increases in expenditures from 1981 to 1984 can be accounted for by the increases in enrollment and the increases for inflation.

4. The children's programs are not as easily explained due to the two type of programs offered: homebound and centerbased. Since little data are available from DACs regarding costs for homebound programs a detailed analysis is difficult. Children's expenditures have increased from \$7,798,800 in 1981 to \$9,530,349 in 1984. The average cost to serve a child in a DAC in 1981 was \$5,760. This figure increased to \$5,840 in 1984. Again, using inflation figures to adjust the cost, it shows that the 1984 figure when adjusted back to 1981 is \$5,081. This would indicate less real dollars available to provide services for children. Unlike adult expenditures, children's expenditures have not increased to cover both increases in enrollment and changes in the cost of living.

B. Client Results

1. The number of DACs offering services has shown some fluctuation during the last year. For adult programs, Roseau County added an incenter program funded strictly by Medicaid. The other adult change was for Watonwan County which eliminated their program.

The number of DACs offering children's programs has shown a greater fluctuation. One DAC offered an apparently new homebound program: Rock County.

The number of programs that dropped or discontinued programs is larger, however. This could be due to the new school programs which has begun to serve children at age three. The DACs which dropped or discontinued incenter programs for children are: Itasca, Meeker, Lyon, Sherburne, and LeSueur counties. Two homebound programs were discontinued: Itasca and Sherburne counties.

2. The net movement of children reflects some of the large fluctuation in client movement. For 1984, Regions 1 through 9 showed a net increase of 17 children entering DACs. However, if Becker County's figures for children movement, an increase of 48 children, is removed, then the total net movement of children into DACs for Regions 1 through 9 is actually a decrease of 31 children.

The net movement of children for Regions 10 and 11 was an increase of 92 children. Region 10, alone, showed an increase of 60 children. However, if Goodhue and Winona Counties net increase of 62 children were removed, then children entering DACs in these regions actually has stabilized or has begun to decrease.

The additional movement of children into DACs seems to have stabilized or declined in the regions outside the metropolitan area. The movement of children into DACs may now be more concentrated in the Twin City metropolitan area.

3. The other client results that may need some further explanation is the movement of persons to less restrictive living arrangements. The drop in foster care for children and the large declines in semi-independent living and independent living for adults raise some questions of future direction. Most new adults admitted over the past four years are residing in ICF-MR facilities.

C. Conclusions

1. The increases in per diems as well as expenditures indicate that DACs are just keeping even with the costs of serving both adults and children. In the future with more and more clients being severely to profoundly retarded with behavioral problems, is the current method of per diems based on simple increases for inflation adequate to serve these type of people?

2. What percentage of revenue do counties now pay? They pay a share of Medicaid (5 percent), CSSA (at least 50 percent), and add local levy money. The actual figure may be difficult to determine, but the case could be made that with more adults being served who are Medicaid eligible and fewer children being served that the county share could actually be declining.
3. In terms of the factors which influence cost, personnel costs continue to climb. Other factors that would have some bearing on costs would be: level of functioning, behavior problems, adult or children's program, incenter versus homebound programs, and the varying type of services being received.
4. The Department of Human Services is currently working on a program rule for DACs. What impact will the rule have on future changes?
5. The Minnesota Legislature will again consider services for children birth to three years old. If there is a shift in services for this age of children from DACs to public education, will the counties dedicate funds provided for children's programs to adult programs?
6. What effect will supported employment have on DACs? Will there be a changeover to providing community-based employment opportunities?
7. The Department of Human Services has a contract with Lewin and Associates to investigate a case-mix approach for reimbursement of ICF-MR facilities, DACs, and waived services. Can reimbursement goals and objectives be integrated with overall program goals and objectives?
8. Net admissions from regional treatment centers into DACs totaled 288 persons from 1982 to 1984. The *Welsch* Consent Decree calls for a reduction in the number of persons who are mentally retarded in regional treatment centers to 1,850 persons by mid-1987. This would require additional movement of persons into community programs with varying and severe needs.
9. Net admissions from public schools into DACs totaled 560 persons from 1982 to 1984. The trend in public school admissions into DACs appears to be similar in years ahead.

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The *Policy Analysis Series* is published by the Minnesota Governor's Planning Council on Developmental Disabilities and the Developmental Disabilities Program, Minnesota State Planning Agency.

Elaine Saline, Council Chair — Colleen Wieck, Ph.D., Director.

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Developmental Disabilities Program. *Policy Analysis Series Paper No. 23: An Update to Policy Analysis Series No. 6-9 and 17: The Financial, Client, and Program Status of Minnesota Developmental Achievement Centers: 1980-1984*. St. Paul, MN: Developmental Disabilities, State Planning Agency, September 1986.