



**Testimony by Thomas Cook, Executive Director  
February 22, 2018 Joint Finance Committee Hearing on the FY 2019  
Division of Developmental Disabilities Services (DDDS) Budget**

Good afternoon, Representative Smith, Senator Poore, and other members of the Joint Finance Committee. My name is Thomas Cook. I am the Executive Director of the Ability Network of Delaware, a statewide association of 39 developmental disability and behavioral health service providers.

As the first speaker at today's DDDS budget hearing, I want to begin by giving you a preview of what you're going to hear from some of the other speakers today. They're going to tell you "time's up." With a projected \$170 million surplus going into FY 2019, there is money available to avoid a crisis in caregiving. It's time to increase funding for the DDDS budget to do so.

2005 was the last time the published rates for services for adults with I/DD were fully funded. Rates for wages, salaries, and benefits for Direct Support Professionals (DSPs) and their supervisory staff have fallen to 25% below the funding level recommended in the 2014 market study done by DHSS. Fully funding the published rates will take \$19.7 million in state dollars, which can be spread over two years.

Secondly, with all due respect to those who have been involved in creating Healthcare Spending Benchmarks, the DDDS budget should not be subjected to any caps that are adopted in response to this initiative until and unless the published rates are fully funded. Over the last 13 years, increases in funding for the published rates for services to adults with I/DD have been held to less than 5%. Can you imagine the outcry from the general public if payments to hospitals and

pharmacies had been held to that same level since 2005? There would be thousands of people marching on Legislative Hall because of the impact that would have had on health care in our state. Stakeholders in the DDDS service system have been remarkably quiet compared to that scenario, yet the consequences of underfunding the system are no less dire. They can be seen in the slide that is attached to my written testimony, which describes what is happening here, what has happened in other states, and what could potentially happen here.

Lastly, I want to warn you against accepting false solutions to the so-called Medicaid spending problem. Putting DDDS services under managed care would result in an even greater shortfall in funding for the published rates, because they would also have to cover the insurance companies' costs, which can run as high as 20% of a per member per month capitation, according to federal law. There are no savings to be found from more efficient operations in the DDDS service system, as the for-profit insurance industry often claims when it is trying to take over another segment of health and social services, because most providers are either operating at a loss or are barely breaking even. There is also no way that imposing managed care would improve quality, because the already-underfunded system is struggling to maintain the existing standards of care without another slice of the funding pie going to the insurance companies. The experience of Iowa and Kansas, both of which contract with for-profit insurance companies to manage I/DD services, should be examined closely by the committee before you approve a proposal for Delaware to follow suit.

The responsibility for the proper funding of the DDDS system of care rests squarely with the General Assembly. If you pass a funding increase, the Ability Network looks forward to working closely with DDDS to ensure the provider community uses it as efficiently as possible to provide quality services to Delawareans with I/DD.