

THE MASSACHUSETTS COALITION OF FAMILIES AND ADVOCATES



3 Hodges Street, Mansfield, MA 02048
Telephone: (508) 339-3379 Fax: (508) 339-5034
New website address: www.cofar.org

DMR Line item 5930-1000:

Why is DMR Closing Four Facilities without Legislative Input?

House version of language for line item 5930-1000: “provided further, **that the department shall take no action** to reduce the client population¹ of any state residential-based facility for the mentally retarded, including intensive individual supports, for the purpose of closing said state institutions, and no steps shall be taken to close said institutions through attrition, layoffs or any other means **until a study of any such reduction or closing shall be completed, and the general court shall have approved by law any such reductions or closing;** provided further, that the secretary for administration and finance shall conduct said study, which shall examine the costs, benefits and quality of maintaining said institutions and shall identify alternative methods of providing the services currently provided by said institutions, and said secretary shall report in writing the findings and recommendations of said study or studies to the house and senate committees on ways and means not later than December 1, 2011.”

Senate version: “that the bill be amended, in Section 2, in item 5930-1000 provided further, **that prior to closing** the Monson Developmental Center, the Fernald Developmental Center, the Templeton Developmental Center and the Glavin Regional Center, as part of the Community Services Expansion and Facilities Restructuring Plan, **the executive office of administration and finance shall submit a report** to the house and senate committees on ways and means and the joint committee on children, families, and persons with disabilities; provided further, that the report shall examine the prospective costs and benefits of maintaining the facilities, the quality of care in the facilities and in alternative community-based settings, and alternative methods of providing the services currently provided by the facilities; provided further, that the report shall include options for the retention of the skilled workforce; and provided further, that the secretary of administration and finance **shall submit the findings and recommendations of the report within 90 days of the passage of this act.**”

Both houses took a strong position that the Governor’s four-year “plan” to close facilities requires a close examination of the fiscal and human costs.

However the House language prohibits any actions toward closure until the study is complete and the plan has been approved by the legislature. The Senate language does not actually stop the costly plan, although it does set a short deadline on the study.

The legislature is entirely correct to demand this study in this time of revenue crisis, because the Governor’s own announcement stated that the closure plan required \$45 million in new investments over the next four fiscal years. It estimated savings of \$80 million at the end of the four years. Since Dec. 12, Commissioner Howe has described the plan as “revenue neutral”

¹ (Contrary to May 14 testimony at Atty. Steven Schwartz to the Joint Committee on Children, Families, and Persons with Disabilities, the House language does not violate the Olmstead decision principle by limiting transfers to the community of people who have been medically cleared and want to move. It only limits actions “to reduce the population...for the purpose of closing. . .”)

and separately estimated that \$42 million in savings over the next four years would offset the new investments. These “moving-target” estimates show that the Governor’s “plan” is a charade. A careful study of the cost-shifting shell games involved will show that the “plan” is a guesstimated privatization scheme putting the most vulnerable people served by the Commonwealth at risk.

The Legislature Must Get the Real Answers:

- **Before** moving hundreds and hundreds of fragile and multiply disabled persons against their will from homes and programs that work for them, with well-documented risks.²
- **Before** committing to an expensive program of buying, leasing, converting, and rebuilding 20-30 new group homes, **at the expense of day programs and respite supports for thousands of families who have relatives with MR/DD living at home.**
- **Before** breaking up two-thirds of the safety-net comprehensive treatment centers that serve 10,000 community-based DDS clients each year, as well as backing up the community residential system.
- **Before** reaching the tipping point of privatization, after which the private providers can dictate pricing and policy.
- **And about** what DDS plans to do about 17,000 people now living at home with parents over age-60³. This is no time for DDS to be closing anything.

The Legislature should compare the claimed savings on 5930-1000 with the cost shifts to other line items in the DDS budget⁴ (the much-expanded line for private group homes and the line for state operated group homes), to the Department of Public Health (medical and therapeutic services now provided at facilities will be billed through Mass Health for people who move into community settings), and to capital budgets (many of the new group homes will be built with state financing for low-income housing, and/or leased back to DDS in 20-year leases.)

In particular, the Legislature must look hard at the bidding and building process for the new group homes. In one instance, Vinfen Corporation has already paid \$900,000 for a mansion in Jamaica Plain, one of the most overheated real estate markets in Boston. They have begun an expensive process to rehabilitate it to ADA compliance. In one way or another or three ways, Massachusetts taxpayers will pay for this.

The private provider system, while providing some economies, also has certain inefficiencies that must be examined: It pays direct care workers much less and has higher turnover, while paying executive salaries and benefit packages up to triple the salary of the Commissioner of DDS. Private non-profits maintain large cash reserves (a rule of thumb suggests one-sixth of annual gross revenue), which state agencies do not require. Privatization is not more cost effective, but it can and is used to dilute the rights of DDS clients and their families, and the quality of care (despite the dedication and determination of many idealistic workers and managers within the private provider system.)

² See: “The Facts About Safety,” <http://www.cofar.org/documents/safetyfacts.pdf>

³ Source: Bradock, Hemp, and Rizzolo, *The State of the States in Developmental Disabilities 2008*.

⁴ See: “Glavin White Paper: The Real Costs of Closure,” <http://www.cofar.org/documents/Glavinwhitepaper.pdf>