



**State Supported Living Centers  
Expenditure  
Management Plan**

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**As Required by**

**2018-19 General Appropriations Act, S.B. 1,  
85<sup>th</sup> Legislature, Regular Session, 2017  
(Article II, Health and Human Services  
Commission, Rider 87(d))**

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# 1. Executive Summary

The State Supported Living Center (SSLC) state office, within the State Operated Facilities division at the Health and Human Services Commission (HHSC) provides proactive oversight of each SSLC's financial status to operate as efficiently as possible and attempt to remain within appropriated levels for the 2018-19 biennium.

Strategy G.1.1 appropriated \$1,316,112,345 All Funds to the SSLCs for the 2018-19 biennium, which is approximately \$50 million less than the 2016-17 biennial appropriation. The 2018-19 appropriation does not allow the SSLCs to serve residents at current census levels without jeopardizing resident health, safety, and quality of life, so the agency requested approval from the LBB to move \$38 million in funds to the SSLC budget from Strategy A.1.5 in fiscal year 2019.

Achieving substantial budget reductions is difficult, as approximately 81 percent of SSLC operating budget expenditures are for salaries, and staffing levels must ensure safe and quality care that meets federal standards. For this reason, this plan largely focuses on cost drivers impacting salary expenditures at the centers. Focus areas include full-time equivalents (FTEs) management; recruitment and retention; reductions in overtime pay and contracted employees; and efficient facility management.

## 2. Background

### State Supported Living Centers

HHSC operates SSLCs that provide campus-based direct services and supports to people with intellectual and developmental disabilities at 13 locations — Abilene, Austin, Brenham, Corpus Christi, Denton, El Paso, Harlingen, Lubbock, Lufkin, Mexia, Richmond, San Angelo and San Antonio.

### Rider 87

The 2018-19 General Appropriations Act, S.B. 1, 85<sup>th</sup> Legislature, Regular Session, 2017 (Article II, Health and Human Services Commission [HHSC], Rider 87d) requires HHSC to provide a plan by December 31, 2017, to the Legislative Budget Board (LBB) and the Governor demonstrating how the agency will manage expenditures in strategy G.1.1, SSLC, to remain within appropriated levels.

### 2018-19 Funding for SSLCs

Strategy G.1.1 appropriated \$1,316,112,345 All Funds to the SSLCs for the 2018-19 biennium, which is approximately \$50 million less than the 2016-17 biennial appropriation. The 2018-19 appropriation does not allow the SSLCs to safely serve residents at current census levels, as the majority of the SSLC non-fixed costs are staff salaries. The only way to achieve savings of this magnitude would be to reduce the number of staff, resulting in the need to immediately suspend admissions and force home closures at the centers. A majority of the funding for the SSLCs comes through a Medicaid match since they are certified as intermediate care facilities for individuals with an intellectual disability or related condition (ICF/IID). In order to continue to participate in that program, adequate staffing ratios have to be maintained. Additionally, continued progress with the Department of Justice settlement agreement requires adequate staffing ratios. Complicating factors include the reduced number of Home and Community-based Services (HCS) slots, the increasing number of individuals who are seeking SSLC services from within the HCS waiver, and the increased difficulty in transitioning individuals into the community.

HHSC has informed the Legislature of these budget impacts, and, in lieu of taking these actions, the agency requested approval from the LBB to move \$38 million in

funds to the SSLC budget from Strategy A.1.5 in fiscal year 2019, to preserve SSLC resident health, safety, and quality of life as allowed in Rider 87d. (See Appendix A.)

While the SSLCs cannot maintain current census levels, especially in light of slowed transitions, HHSC is committed to identifying opportunities to reduce expenditures and manage any potential shortfall.

## 3. Expenditure Management Plan

Based on expenditures for fiscal year (FY) 2017, the HHSC SSLC state office will adjust each facility's budget for FY 2018.

### **FTE Management**

As the SSLCs' census declines, the HHSC SSLC state office periodically reviews staffing ratios and patterns to ensure efficient use of FTEs. Staffing requirements are reviewed, adjusted accordingly, and when possible, reduced through attrition. The decreasing rate of SSLC discharges will have an impact on FTE management.

### **Staff Recruitment and Retention**

HHSC is proactive in hiring and retaining qualified staff that will ensure services are performed in accordance with the federal conditions of participation for ICF/IID, the United States Department of Justice settlement agreement, and other relevant operational standards and practices.

Employees at SSLCs work closely with the individuals served at the centers, their families or guardians, regulatory agencies, and the public. The work is fast-paced and can be stressful, but it also provides a great deal of satisfaction for employees who are committed to serving people with intellectual disabilities. HHSC State Operated Facilities division is working with the HHSC Communications Office to develop a strategic plan to better highlight the benefits of working in an SSLC to attract qualified individuals through marketing and an increased presence with academic institutions.

Currently, SSLCs recruit employees using the following strategies:

- Position postings on the internet
- Position postings for critical shortage occupations
- Market salary adjustments for certain medical professional positions
- Salary exception requests
- Advertising and other recruitment methods

SSLCs retain employees using the following strategies:

- Salary equity adjustments

- Payment of professional license fees and continuing education
- Awards and recognition programs
- Merit program
- Mentoring programs for direct support professionals
- Academic stipends
- Additional salary increases

To aid in recruiting professional staff, HHSC is seeking opportunities to better partner with academic institutions. Through guest lecture opportunities; increased intern/practicum/residency opportunities; and shared staff, more individuals will be aware of and inspired to pursue opportunities within the SSLCs or with individuals with intellectual disability.

In particular, HHSC is partnering with academic institutions to address recruitment problems through telemedicine. HHSC has initiated conversations with the University of Texas System to expand the use of telemedicine for psychiatry, primary care, and internal medicine in facilities that are unable to retain qualified clinical staff.

For more information on HHSC staff recruitment and retention, please reference Appendices B and C (SSLC recruitment and retention efforts report and SSLC turnover report).

### **Overtime Management**

In FY 2017, HHSC spent on average \$1.9 million per month on overtime pay. Much of this overtime pay is a direct result of position coverage (e.g., when allegations of abuse or neglect require staff to be removed from resident-contact positions or entirely from coverage during the investigation), staff vacancies, and staff absenteeism.

To better manage this expense, the HHSC SSLC state office reviews all overtime expenditures on a monthly basis to track overtime expenditures for each facility. If overtime starts trending upward, the center is expected to address the issue or provide an explanation for the rising trend. As of the writing of this plan, HHSC is in the process of hiring a staff person to help address overtime across both the SSLCs and the state hospitals. Part of this person's responsibilities will be to pilot strategies to reduce the amount of overtime accrued by direct care staff at the Austin State Supported Living Center and the Austin State Hospital. If successful, HHSC will deploy these strategies across the system.

## **Efficient Contract Management**

In FY 2017, HHSC paid an average of \$2.4 million per month to contracted professionals at SSLCs. Much of this expense is directly attributed to difficulty attracting qualified medical professionals, thus necessitating the hiring of more expensive contracted professionals.

To better manage this expense, the HHSC SSLC state office is reviewing all contract employee expenditures on a monthly basis to ensure those centers that do not appear to be managing the contracts effectively put systems in place to address the issues. The plan also calls for focused attention on recruitment and retention of professional staff to reduce the need for contracted professionals. As mentioned above, using telemedicine to extend physician services to facilities unable to retain qualified physicians is one option being pursued by HHSC at this time. The HHSC SSLC state office oversaw a tele-psychiatry pilot at the San Angelo SSLC in FY 2017. Initial results were positive and the HHSC SSLC state office plans to expand the pilot statewide with hopes of reducing dependency on costly contracted psychiatrists.

Additionally, HHSC is reviewing non-essential contracts and identifying whether any of the work being outsourced can be conducted internally. While this option is being explored, HHSC remains committed to providing quality services to residents and will not terminate a contract without a strategic plan in place to protect residents.

## **Efficient Facility Management**

As SSLC census declines, the HHSC SSLC state office will periodically review capacities of SSLC homes to determine opportunities for consolidation. Focus areas for this ongoing review will include ensuring efficient staffing patterns and reducing housekeeping and maintenance costs, while maintaining the health and safety of residents. Projected savings stem from a reduction in FTEs associated with the consolidation of individual homes.

The HHSC SSLC state office provides oversight to each SSLC, which is expected to manage expenditures and remain within its appropriated budget. Through more effective recruitment strategies, management of facility residences, and usage of the above tools to improve staff retention, the centers will make efforts to reduce overtime and contract management costs.



In addition, HHSC continues to utilize video conferencing technology at each SSLC in an effort to reduce staff travel costs and increase staff efficiency.

## 4. Conclusion

As the SSLC population has declined over the last few biennia, so has the SSLC appropriation. The pace of individuals transitioning from an SSLC to the community, however, has slowed, and the SSLC census remains steadier than in years past. Additionally, nearly half of all new admissions to an SSLC are individuals who have an existing HCS slot, but are unable to be served adequately in the community. As a result, HHSC submitted to the LBB the previously mentioned request to transfer funds.

Though HHSC cannot operate the SSLCs under the existing appropriation without jeopardizing resident health, safety, and quality of life, the SSLC state office intends to utilize the initiatives described in this document to proactively manage SSLC expenditures during the 2018-19 biennium.

## **List of Acronyms**

<b>Acronym</b>	<b>Full Name</b>
FTE	Full-time Equivalent
FY	Fiscal Year
HCS	Home and Community-based Services
HHSC	Health and Human Services Commission
ICF/IID	Intermediate Care Facility for Individuals with an Intellectual Disability or Related Conditions
LBB	Legislative Budget Board
SSLC	State Supported Living Center