

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN
SERVICES**

DIVISION OF DEVELOPMENTAL DISABILITIES

***OUT-OF-STATE
PLACEMENTS
OF PERSONS WITH
DISABILITIES***

January 4, 2011

In accordance with the State of New Jersey's FY'11 Appropriations Act, the NJ Department of Human Services (Department) is required to submit a report to the Governor and the Legislature regarding out-of-state placements of persons with disabilities.

Out-of-state placements are paid for with state-only funds, whereas in-state placements receive partial federal reimbursement. As such, the Department's Division of Developmental Disabilities (DDD) created two initiatives that focus specifically on returning out-of-state juveniles and adults to NJ: The Children's Placement Enhancement Program (C-PEP) and Return Home New Jersey Program.

The Children's Placement Enhancement Program (C-PEP):

The C-PEP program is designed to help develop structured, community placement and stabilization to C-PEP individuals with moderate to severe range of functioning who are at risk of out-of-state placement or who have been placed in out-of-state residential programs because of the lack of in-state programming.

The objectives of the C-PEP program are to:

- reunite the child and/or young adult with the family and/or guardian whenever possible;
- ensure the safety of the child and/or young adult and all participating staff by providing individual specific training and on site technical supports;
- keep families united by placing the child and/or young adult in close proximity to the individual's family and or guardian(s) in the least restrictive setting; and
- increase infrastructure to serve children in state.

The Return Home New Jersey Program (RHNJ) endeavors to:

- voluntarily return adults from out-of-state placements to waiver-eligible community residential homes and day programs in NJ, thereby earning federal Medicaid reimbursement and easing the financial burden on NJ taxpayers;
- require all 21-year-olds, upon graduation from high school and the expiration of their educational entitlement, to return to NJ if they seek new or continued financial assistance from DDD unless it would place the individual at medical risk;
- provide normative community experiences and lifestyles for individuals, many of whom have resided in large, congregate, often institutional, settings out-of-state for decades, and in some cases, since childhood
- reunite families and/or reduce the geographic distance between the individual with disabilities and his/her family; and
- respect and respond to the desire of family members to return individuals to NJ, as these individuals have retained NJ residency during the entire time period they have lived out-of-state.

This report outlines the Department's response and provides information regarding its initiatives to return out-of-state consumers. The categories include:

- out-of-state placement - historical overview;
- the number of people with developmental disabilities currently living in out-of-state facilities and associated costs;
- the number of new out-of-state placements during Fiscal Year 2010 and the reason for such placement;
- the number of individuals who were relocated from an out-of-state facility to an in-state placement during Fiscal Year 2010 and associated costs;
- the number of persons unwilling to relocate from out-of-state facilities; and
- the Department DDD's strategy for redirecting families that prefer relocation to out-of-state facilities by developing alternative in-state community placements.

Out-of-state placement – historical overview:

By way of background, out-of-state placements by the Department's DDD can be traced back at least four decades. Several factors have steadily and precipitously increased the number of out-of-state placements of adults and children with developmental disabilities:

- lack of in-state capacity to serve individuals with intense behavior and/or medical support needs;
- stigma associated with siting special needs housing in many NJ communities;
- Lawsuits against the State of NJ by parents who believed that certain out-of-state schools would best educate their children, often followed by court orders heeding the parents' wishes; and
- NJ school districts' decisions to educate special needs children in out-of-state schools.

DDD is fiscally responsible for the cost of an out-of-state placement when it involves:

- an adult placed by DDD;
- a young adult from NJ who has aged out of their educational entitlement but continues out-of-state residential placement, and is eligible for DDD services; and
- a juvenile whose placement has been court ordered

In 2007, DDD issued an administrative and policy directive - which has been enforced - to cease all DDD-initiated out-of-state placements of adults. The placement of children outside of NJ is a practice that continues. It is important to note that DDD has no input regarding local school district decisions and court orders.

However, increased collaboration between the Judiciary and the NJ Department of Education over the past several years, as well as the creation of new in-state emergency placements for children, has resulted in a positive reduction in out-of-state placements.

The number of people with Developmental Disabilities currently living in out-of-state facilities and associated costs:

As of December 1, 2010, 688 individuals with developmental disabilities – 621 adults and 67 children – are living in out-of-state residential settings through contracts between Department's DDD and 52 private providers. Living arrangements vary widely, ranging from small, community-based homes to large institutional, campus-based facilities. Cost per placement also is wide-ranging, from \$19,685 to \$256,704 (see attached chart.) The vast majority (over 90-percent) of out-of-state residential and day program placements are 100% state-taxpayer-funded and *ineligible* for federal Medicaid reimbursement.

The number of new out-of-state placements during Fiscal Year 2010 and the reason for such placement:

During FY'10, only one child was placed by DDD out-of-state; and that placement was due to a court order.

In FY'10, concomitant to preventing all but one child from being placed out-of-state, DDD initiated a new program called, Return Home New Jersey (RHNJ). RHNJ was designed to return adults who are less than 55 years of age and who have resided out-of-state for 15 years or less; and young people who turn 21, graduate from an out-of-state high school, and are approved for adult programming through DDD.

Individuals residing less than 90 miles from NJ in all geographic directions were prioritized for RHNJ, so as to focus efforts among the largest and closest out-of-state facilities. Older adults and individuals living out-of-state for longer periods of time were excluded from DDD's priority return to NJ roster since transition to a new living environment could be exceedingly traumatic for the individual. Exceptions have been made for individuals and families who proactively request a return to NJ.

The number of individuals who were relocated from an out-of-state facility to an in-state placement during Fiscal Year 2010 and associated costs:

DDD returned 11 adults to NJ in the latter half of FY'10 – the program began July 1, 2009 - with an average annual placement cost of \$125,018 (this total does not include potential federal reimbursement, which varies by individual).

The number of persons unwilling to relocate from out-of-state facilities:

Throughout DDD's outreach to families of individuals placed out-of-state, 41 families/guardians indicated an unwillingness to relocate their loved one to NJ, citing satisfaction with their current out-of-state placement.

DDD's strategy for redirecting families that prefer relocation to out-of-state facilities by developing alternative in-state community placements:

DDD has in place a comprehensive strategy to build residential and day program capacity in NJ to prevent future out-of-state residential placements for children and adults; and increase repatriation of out-of-state placements into in-state community-based homes with the following:

- implemented a rolling application procedure for providers to be deemed qualified to serve persons with a range of disabilities and residential/programming needs (83 agencies have been qualified and another 68 were grandfathered-in through a previous qualification process);
- created the Children's Placement Enhancement Program (CPEP) to provide in-home supports and out-of-home NJ-based community placements for children experiencing a range of personal and/or family emergencies;
- collect geo-preference information from all RHNJ participants and collaborate with NJ non-profit and for-profit housing developers to increase affordable community-based special needs rental housing units across NJ (RHNJ participants have selected to live in a combined total of 19 counties, with a small number of individuals selecting no geographic preference);
- expanded the definition of community-based housing options to go beyond the traditional group home model and include shared living, supportive housing and supervised apartments, all of which are eligible for federal Medicaid reimbursement under DDD's Community Care Waiver;
- increased the number of self-directed day program and employment support agencies to provide returnees more choice in programming their daytime hours;
- implemented a standardized assessment tool and individual budgets to give adults maximum decision-making capability in purchasing housing and supports; and
- developed a letter inviting all adults living in out-of-state DDD-contracted facilities to return to NJ, regardless of the amount of time they have lived there or their age.

For individuals residing in Pennsylvania facilities whose guardians have refused NJ community placement, DDD is considering an alternate strategy: to work with the out-of-state provider to convert some of the beds which were previously state-funded into NJ waiver-eligible beds.

Through a multi-year, phased approach, DDD is committed to repatriating the current population of out-of-state placements into NJ community-based programs, as long as NJ placements are in the best interests of those persons with disabilities and guardians agree with those placements.