THE RETARDED CAN BE HELPED

MARYLAND ASSOCIATION FOR RETARDED CITIZENS, INC.

A Volunteer Organization Dedicated to the Welfare of the Mentally Retarded of All Ages

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DE-INSTITUTIONALIZATION OF THE MARYLAND STATE FACILITIES FOR THE MENTALLY RETARDED

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PREPARED BY THE

RESIDENTIAL SERVICES COMMITTEE

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Services to the mentally retarded, both nationwide and in Maryland, are entering a period of significant change and redirection. It has become very apparent that the institution, as it is presently used, is not only failing in its mission, but in many instances is contributing to the handicap of retardation for its residents. New approaches to service delivery which rely heavily on direct community integration of the retarded are proving themselves to bring about, in most cases, higher levels of habilitation at a lower cost to the taxpayer and with greater dignity and respect for the mentally retarded individual.

The process of de-institutionalization is a complex one, requiring close programatic and management coordination between all elements of the changing service delivery system. For many retarded individuals, continued residence in an improved institutional setting will be appropriate, while for the overwhelming majority a system of services at the community level will best meet their needs. Before committing to a plan of de-institutionalization, one must understand the financial implications.

The intent of this paper is to broadly outline the financial implications of major de-institutionalization in Maryland as it pertains to the various state hospitals for the mentally retarded. The purpose of de-institutionalization in Maryland is to fulfill the generally accepted postulate that no individual should be confined to an environment more restrictive than is required for his habilitation. The results of a major de-institutionalization effort will be the following:

1. Complete phase-out of the Rosewood State Hospital for the mentally retarded.

2. Significant reorganization of program services at the remaining Maryland institutions.

3. Limited new institutional construction over the next 10-12 years.

4. Creation of a large scale program of community-based group homes and supporting habilitative programs.

Before examining the process of de-institutionalization, it is necessary to understand, in general terms, the current level of commitment by the Department of Health and Mental Hygiene to Maryland's mentally retarded citizens. The following tabluations show the FY74 Operating Budget, and the proposed FY75 Operating Budget for the Mental Retardation Administration.

FY74 OPERATING BUDGET

Program	Total Program Budget	Number Of People	Per Diem
Administrative	$ 336,256	--	--
Day Care/Trans.	6,476,600	2,199	12.80
Institutions	24,735,236	3,179	21.31
Pur. Of Care	614,000	--	--
Residential	1,146,688	209	15.00
	$32,756,180	5,587	

FY75 PROPOSED OPERATING BUDGET

Administrative	$ 313,667	--	--
Day Care/Trans.	6,562,820	2,208*	12.92
Institutions	29,484,487	2,809	26.94
Pur. Of Care	638,000	--	--
Residential	1,198,105	218	15.00
	$38,197,079	5,235	

*Includes only 1975 requested General Fund appropriation, and does not take into consideration additional funding available from Federal sources.

The essential part of this data shows a 1974 institutional population of 3,179, and a 1975 institutional population of 2,809. The net reduction of institutional population of 370 people is not accompanied by any funding for alternative residential placement. However, about 90 of these individuals will be transferred to Victor Cullen (not included in this data), and the remainder will return to the community in group homes or with family and relatives, with a small number going to nursing homes.

The most positive aspect of the budgets is the increased level of per diem funding in the institutions.

The Process of De-Institutionalization

The underlying permise for accomplishing de-institutionalization is the creation of appropriate community-based residential and habilitative training programs. As these alternatives are created, individuals currently institutionalized who can benefit from community programs will move out of the institution back to the community. As this occurs, unused capacity in all the Maryland facilities will be created. As this takes place, individuals appropriate for institutional service will transfer from Rosewood to the other facilities, i.e., Henryton, Great Oaks, Holly, Mt. Wilson, etc. This combined process of return to the community and redistribution will permit the eventual closing of Rosewood. Before examining the specifics of this plan, it is important to understand the total need for services in Maryland.

Total Need

Maryland law, as well as the State leadership, clearly endorses and is committed to meeting the total needs of our mentally retarded citizens. While it is generally accepted that 3% of the general population is to some degree retarded, the vast majority of our retarded citizens require little or no specific program support. Considerable work has been done in arriving at estimates of total need by Burton B. Blatt (Massachusetts office of Mental Retardation), Dr. Frank J. Menolascino (University of Nebraska Medical Center), and Dr. Wolf Wolfensberger (Canadian Association for Retarded Children), and others. Tables 1 and 2, attached, detail the general conclusions, as follows:

Program Activity

Public School	6.26/1000 G.P.
Community Training Programs	2.03/1000 G.P.
Institution	.36/1000 G.P.
Competitive Employment	20.50/1000 G.P.
	29.15/1000 G.P.

higher average level of care than is offered today. Therefore, it is reasonable and appropriate that the per diem cost will increase dramatically as the population is reduced, as suggested in Table 3. This tabulation shows that between FY74 and FY80, as the institutional population drops by 50% (from 3,179 to 1,557), the per diem cost should be expected to increase by 53%, resulting in an overall budget about equal to FY74 (non-discounted). This level of funding will be essential to provide the proper level of services to those remaining in our institutions.

Table 4 outlines the method of estimating how the current institutional population will be redistributed. As can be noted, it is estimated that the FY80 population will be 1,557 in the institutions, leaving 1,283 to be returned to the community. Table 5 suggests the various programs these returning individuals will be enrolled in.

As mentioned earlier in this paper, one anticipated result of a program of de-institutionalization will be the limited new construction for institutional beds in the future. Table 6 shows that the current and planned number of beds available excluding Rosewood is 1,575, a sufficient capacity to last into the early 1980's if the rate of de-institutionalization is followed as suggested in Table 3.

Group Homes

The total group home requirement projected for Maryland is 6,920 beds, or 1,064 homes, on the basis of an average of 6.5 residents per home (see Table 2). A great deal has been written about group homes and their function, and it is assumed that no further discussion of their purpose is required here. All individuals living in group homes will be involved in at least one of the following supportive community-based programs:

1. Daily Living Training
2. Prevocational Training
3. Vocational Training
4. Education - Public and Private
5. Day Care
6. Work Activity
7. Intensive Training Programs
8. Private, Competitive Employment

Of these eleven locations, only Montgomery County, Baltimore City and Prince Georges County are already organized and providing services. Taking this into consideration, Table 8 shows the probable rate of overall development assuring proper funding. It shows that by FY80, sufficient community residential resources will have been developed to reduce the institutional population by 1,283 individuals, thereby permitting the total phase out of Rosewood. The operating cost associated with this plan is outlined in Table 9.

Group Home Capital Costs

The acquisition of group homes will be through the purchase of existing homes in the community. The operating budgets outlined in Table 9 are based on the premise that grants to the operator made available through bond financing will pay 50% of the purchase price, with the other 50% financed by mortgage and paid for from operating funds. For the purposes of this paper, it is assumed that the average home for 6.5 residents will cost $70,000 including furnishings and renovations to meet state licensing requirements. On this basis, the capital requirements over the period of implementation are as follows:

Year	FY	Capital Requirement
1	75	$ 336,000
2	76	672,000
3	77	1,188,000
4	78	2,532,000
5	79	3,792,000
6	80	4,392,000
7	81	4,914,000
8	82	4,464,000
9	83	4,464,000
10	84	3,576,000
11	85	3,126,000
12	86	Ø
		$33,456,000

In order for a group home program to move ahead, a sustained capital program must be put in place. Without this commitment, no progress can be made.

Community Training Programs

Table 5 outlines the estimated dispersion of individuals leaving the institution for community-based training programs. Two of the program areas are the direct responsibility of the Mental Retardation Administration, Day Care and Intensive Training.

Day Care

Up to this point in time, the emphasis on day care services has been almost entirely quantitative. With the current total population in day care of about 2,300 individuals against an estimated total need of 2,162, it is apparent that the quantitative challange has been met. However, as Table 10 shows, it is estimated that close to half of the current day care population is of school age and can be expected to leave day care for public education programs as they are developed. With an estimated 357 individuals coming into day care from the institutions over the period of FY75 to FY81, the net change in day care population will be -830 by FY81.

The changing nature of day care makes it very apparent that the quality of services must be improved. Up to this point in time, there has been only minimal effort by the state to define the level of services to be provided in day care.

Day care programs should offer stimulation, development of intellectual capacity and opportunities for social adjustment essential to the development of the retarded individual. Unfortunately, for the most part, today's day care centers offer little more than a custodial service. This must be changed, under state leadership, for any meaningful return to the community to take place. There remains no question in the minds of most day care center operators that to raise the level of services as described above, the allowable per diem expense of $10.00 for operations and $2.80 for transportation must be increased. Table 10 shows the estimated per diem requirements (un-discounted) going from the current $12.80 to $17.50 by FY80.

Intensive Training Program

An outgrowth of the day care program has been the establishment of an intensive training program (ITP) for very low functioning individuals. The people in this program are generally individuals for whom there has never before existed a community-based program. To date, only the Montgomery County Association for Retarded Citizens is offering this service. Current funding is coming from day care funds which are totally inadequate, on a per diem basis, to support it. There is a clear need for this program in order to effect de-institutionalization, and the population requiring the service is currently estimated at about 150 people.

The MRA should establish a separate funding category for this service. (see Table 11).

Cost And Budget Implications

In terms of cost, the plan outlined in this paper has the following effect:

1. 120% increase in per diem funding for the institutions.
2. Establishment of 971 new group homes.
3. 162% increase in number of individuals in residential service.
4. 36% increase in day care per diem funding.

An examination of the actual cash requirements shows that the total objectives of this plan can be accomplished at an MRA compounded budget rate of increase of only 4% annually, un-discounted with respect to inflation, when measured against the actual FY74 budget and the proposed FY75 budget.

Table 12 outlines the costs associated with the various MRA funded programs. Table 13 outlines the net budget requirements for MRA, taking into consideration social service income to residents which would be applied against the total cost. Also shown in Table 13 is a comparison of the net budget requirement compared with a 4% compounded real growth rate of the proposed FY75 budget.

Advocates for community-based programs, including the President's Committee on Mental Retardation, have, for some time, argued that, in addition to an increased level of service, the cost of providing services at the community level was much lower. The plan outlined in this paper clearly demonstrates this to be the case, and adds additional emphasis to the thesis that a re-direction of services to the mentally retarded is essential.

Advantages Of De-Institutionalization Plan

1. Fulfills the least restrictive environment criteria.
2. Based on existing methodology.
3. Consistent with Maryland Humane Practices Commission recommendations.
4. Provides services to 89% more individuals at a per person operating cost to the Department of Health and Mental Hygiene of ca. ½ of current per person operating cost.
5. Controllable: Commitment made in small increments - property remains saleable on open market.
6. Easily adjustable: If mix of type of residence wrong at any point can adjust profile of services easily.
7. Per person served in both capital and operating funds lower.
8. Permits complete phase-out of Rosewood.

SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. The Mental Retardation Administration employ by March of 1974 a full time Coordinator of Community-Based Residential Programs. This person should be employed at the assistant director level with appropriate supportive personnel.

2. The Mental Retardation Administration should pursue no additional new institutional construction beyond the currently planned 150 bed facility in Hagerstown. In 1980-81, the institutional resources will have to be reviewed to determine the need for distribution of this resource to best support and serve the clients in their home community.

3. There be an immediate review of the proposed capital expenditures at Rosewood in light of the diminishing need for this resource.

4. Planning begin immediately to insure that the remaining Maryland institutions are equipped to provide the services as described in this paper.

5. The State of Maryland adopt the bond-financing approach to capitalization of group homes, and that the current rules and regulations governing the administration of these funds be adjusted to include this new use.

6. The Mental Retardation Administration establish guidelines which will insure a high quality of services in the Day Care program.

7. Separate budget items be established for the Intensive Training Programs at the community level.

8. Requested staff positions within the central office of the Mental Retardation Administration be filled to insure the proper development of community habilitative programs within the regions.

TABLE 1

COMMUNITY-BASED PROGRAM REQUIREMENTS

Program	Rate/1000 General Population	1975 Estimated Need
Day Care	.5	2,162
Sheltered Workshop	.5	2,162
Work Activity	.2	865
Sheltered Employment	.3	1,297
Nursery School	.5	2,162
Public School	6.26	27,074
Intensive Training	.03	150
	8.29	
Private Employment	20.50	
Home - No Program	.80	
Institutions - Nursing Homes	.41	
	30.00	

TABLE 2

RESIDENTIAL SERVICES

Program	Rate/1000 G.P.	Total Need
Group Homes	1.60	6,920
Apartments	.17	735
	1.77	7,655
Institutions	.36	1,557
Nursing Homes	.05	216
Total	2.18	9,428

*Based on Estimated 1975 Population of 4,325,000

TABLE 3

PROPOSED INSTITUTIONAL BUDGET

Year	FY	Population	Per Diem	Budget
Ø	74	3,179	21.31	$24,735,000
1	75	2,785	28.50	29,483,000
2	76	2,710	30.00	29,675,000
3	77	2,576	32.00	30,088,000
4	78	2,291	35.00	29,268,000
5	79	1,863	40.00	27,200,000
6	80	1,557	45.00	25,573,000
7	81	1,557	45.00	25,573,000
8	82	1,557	45.00	25,573,000
9	83	1,575	45.00	25,869,000
10	84	1,600	45.00	26,280,000
11	85	1,625	47.50	28,173,000
12	86	1,625	47.50	28,173,000

TABLE 4

ESTIMATED POPULATION TO BE DE-INSTITUTIONALIZED

State Population, 1975	4,325,000
Estimated institutional population by FY80	
(1) Severely and Profoundly retarded	1,167
(2) Mildly and Moderately retarded	390
Total	1,557

(1) Based on .27/1000 G.P.
(2) Based on .09/1000 G.P.

Current institutional population to be removed.

Mild and Moderate

Age	Current Total		
1 - 19	491		344
20 - 44	318		175
45 over	132		53
	941		
		Sub Total	572

Severe and Profound

Age	Current Total		
1 - 19	980		441
20 - 44	700		245
45 over	255		25
	1,935		
		Sub Total	711

Total to be removed 1,283

TABLE 5

ESTIMATED PROGRAM PLACEMENT OF POPULATION TO LEAVE THE INSTITUTIONS

1. Number of school age individuals to be removed from institutions (5 - 19). 746

Placement for school age children

Public Schools	400
Day Care and Activity Centers	100
Sheltered Workshops and Sheltered Employment	196
Competitive Employment	50
Sub Total	746

2. Number of non-school age individuals to be removed from institutions. 537

Placement for non-school age individuals

Pre-school and Intensive Training	80
Day Care and Activity Centers	257
Sheltered Workshops and Sheltered Employment	125
Competitive Employment	75
Sub Total	537
Total	1,283

TABLE 7

COMMUNITY RESIDENCES - 11 YEAR OPERATOR DEVELOPMENT PLAN

Year	Program	Per Diem*	No. Of Res. Year End	Fiscal Cost	Annualized Cost
1	Locate & Establish Operators; Initiate Planning, Public Relations, Legal Steps, Local Legislation	0	0	$ 15,000	$ 15,000
2	Complete Start-Up Planning	0	0	$ 35,000	$ 35,000
3	Initiate Operations - Assume Average 6 mos. Residence for New Residents.	$29	28	$ 148,190	$ 296,380
4	Add 56 Residents	$18	84	$ 367,920	$ 551,880
5	Add 70 Residents	$15	154	$ 743,505	$ 843,150
6	Add 84 Residents	$15	238	$1,073,100	$1,303,050
7	Add 84 Residents	$15	322	$1,533,000	$1,762,950
8	Add 84 Residents	$15	406	$1,922,900	$2,222,850
9	Add 84 Residents	$15	490	$2,452,800	$2,682,750
10	Add 84 Residents	$15	574	$2,913,274	$3,142,650
11	No Change	$15	574	$3,142,650	

*Per Diem Assumes State 50/50 Funding; $2 Per Diem covers Mortgage Amortization Cost.

TABLE 9

PROJECTED GROUP HOME OPERATING BUDGET

Year	FY	Group Home Placements	Operating Cost
1	75	84	$ 452,000
2	76	210	1,179,000
3	77	434	2,200,000
4	78	910	4,424,000
5	79	1624	7,457,000
6	80	2450	11,796,000
7	81	3374	15,942,000
8	82	4214	20,796,000
9	83	5054	25,370,000
10	84	5726	29,509,000
11	85	6314	32,961,000
12	86	6314	34,567,000

TABLE 13

MRA OPERATING BUDGET SUMMARY

FY	Gross Cost	-	Outside Income	=	Net Budget	Proposed FY75 Budget Compounded At 4%
75	38,978		186		38,792	38,302
76	40,021		442		39,579	39,835
77	41,133		721		40,412	41,428
78	43,092		952		42,140	43,086
79	43,862		1,943		41,919	44,808
80	46,563		3,921		42,642	46,601
81	49,904		5,037		44,867	48,465
82	54,932		7,099		47,833	50,403
83	60,202		8,975		51,227	52,420
84	64,953		10,906		54,047	54,516
85	70,500		12,427		58,073	56,697
86	72,307		14,033		58,274	58,965