BURNS & ASSOCIATES
A DIVISION OF
HEALTH MANAGEMENT ASSOCIATES

Rate and Payment Options Study

Status Update

April 27, 2023

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PROJECT BACKGROUND

Background

+ BHDDH is conducting a comprehensive review of the system of supports for individuals with intellectual and developmental disabilities (I/DD)

  + Covered services and requirements for each service

  + Provider reimbursement, including billing policies, units, and rates

  + Individual budget limits, including assessment, budget limit amounts, and policies for planning and managing budgets

+ BHDDH contracted with Burns & Associates division of HMA to assist with this study

  + Health policy consultants specializing in assisting state Medicaid agencies and related departments (developmental disabilities and behavioral health agencies)

    + Extensive experience in the intellectual and developmental disabilities field (consulted to the I/DD programs in more than 20 states)

    + Primary consultant on BHDDH's Project Sustainability initiative

    + Acquired by Health Management Associates in September 2020

  + Project team includes the Human Services Research Institute (HSRI)

REVIEW OF SERVICE ARRAY AND RATE STUDY

Summary of Rate Study

+ Comprehensive study of provider payment rates as well as billing policies and units

  + Process involved consideration of service requirements, stakeholder input, and benchmark cost data from multiple sources to develop detailed and transparent rate models

  + Rate models developed independent of budgetary considerations (cost impact will be considered as part of implementation planning)

+ Goals

  + *Fairly account for providers' costs.* Rates aim to reflect the direct and indirect costs providers incur to deliver services consistent with the state's requirements and individuals' service plans

  + *Support programmatic goals.* Rates should further the program's goals such as supporting individuals' independence and community engagement

  + *Provide flexibility.* Rates should be consistent with flexible service delivery

  + *Reduce administrative burden.* The rate study considered opportunities to reduce administrative complexity while maintaining accountability

Summary and Goals of Independent Rate Model Approach

+ Rate models should reflect the reasonable costs providers incur to deliver services consistent with the state's requirements and individuals' service plans

+ Consider data from multiple sources rather than depending on any single source
  + Policies, rules, and standards
  + Provider and stakeholder input (e.g., provider survey, public comments)
  + Published sources (e.g., BLS wage data, IRS mileage rates)
  + Special studies (e.g., benchmarking rates to other states' programs)

+ Benefits of independent rate model approach
  + *Transparency.* Models detail the factors, values, and calculations that produce the final rate
  + *Ability to advance policy goals/objectives.* For example, improving direct care staff salaries or benefits, reducing staff-to-client ratios, incentivizing community-based services, etc.
  + *Efficiency in maintaining rates.* Models can be adjusted over time to account for inflation or changes to specific cost factors (e.g., IRS mileage rate)

Rate Study Process
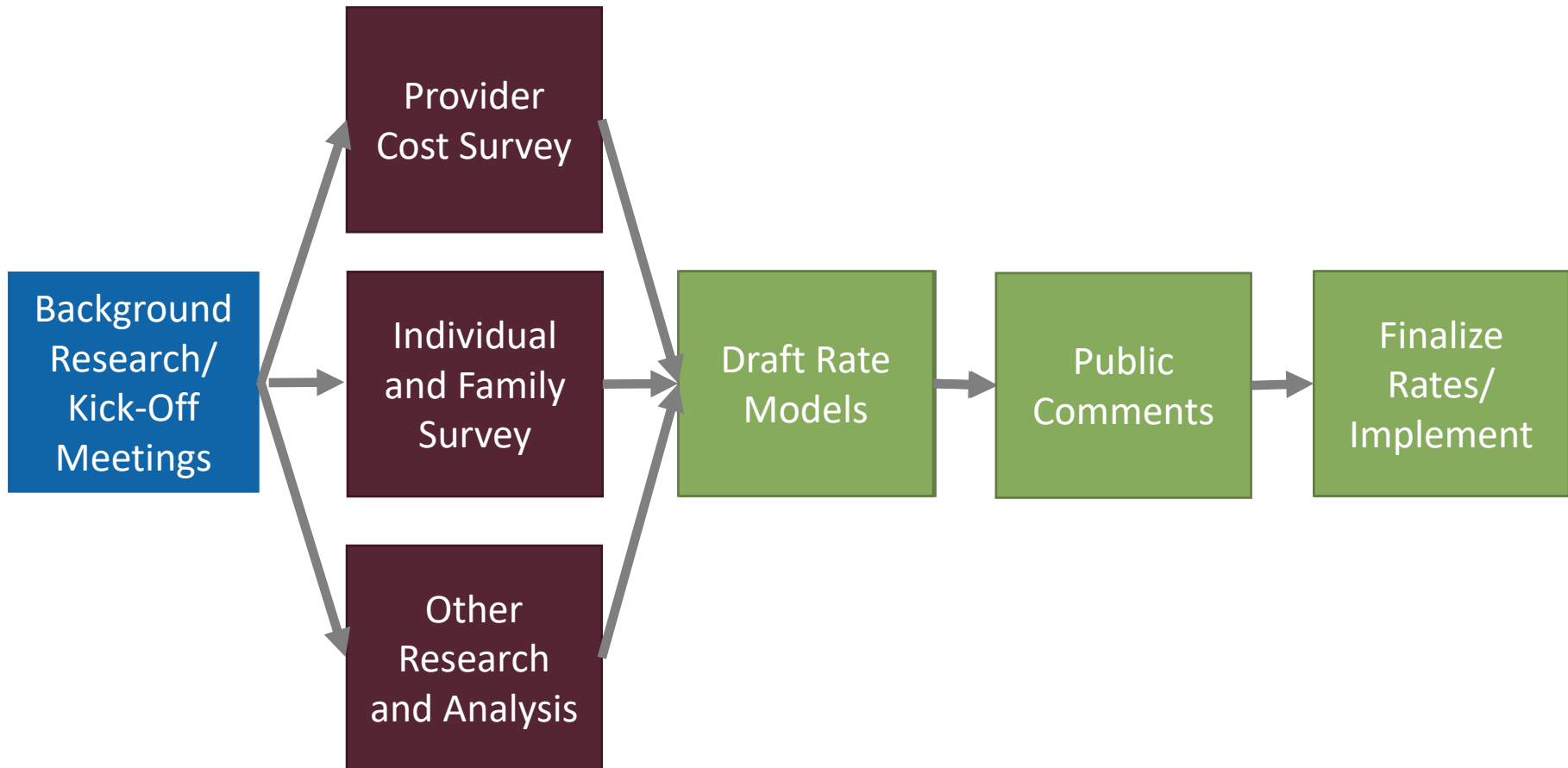
Overview of Public Comments

+ Rate models were posted for comment online on September 28

    + Comments were originally due October 24 though the deadline was extended and all comments submitted at any point were considered

+ Summary of comments

    + Comments related to individuals' assessments and existing tier packages

    + Requests for clarifications on proposals

    + Suggested changes to the proposals

        + Resulted in several changes to original proposals

Summary of Recommendations

+ Final rate models published December 1, 2022 (though a few minor changes were subsequently made in response to further discussion with providers)

    + Final rate study report published January 30, 2023

+ Overall, proposed rates would increase provider revenues by 20 to 25 percent compared to current (fiscal year 2023) rates

    + These increases are in addition to the substantial rate increases – generally 30 to 35 percent – granted during the last two fiscal years

    + Rate increases vary by service with the largest increases associated with services that have not been adjusted in recent years

Summary of Recommendations (cont.)

+ Proposals to consolidate or replace some existing services

    + Home-Based Day Programs (covered by increased staffing in residential models)

    + Job Retention (to be replaced with new model that pay providers based on individuals' work hours)

    + Non-Congregate Residential (many programs to transition to Supervised Living)

    + Overnight Shared Supports (to be replaced with Remote Supports)

Summary of Recommendations (cont.)

+ Proposals to establish new services

    + Supervised Living (provides a shared residential model that is less intensive than group homes; would replace some existing Non-Congregate Residential models)

    + Enhanced Shared Living Arrangement (accounts for instances when the home provider is responsible for an individual's total care)

    + Remote Supports (offers an option to increase individuals' independence outside of full-time residential services)

    + Companion Room and Board (accommodates living arrangements where an individual has a live-in roommate who provides formal (paid) or informal support)

    + Workplace Assistance (provides personal care in the workplace when an individual does not need supports from a job coach)

    + Peer Supports and Family-to-Family Training (connects individuals to others with lived experience to help navigate systems of care)

    + Vehicle modifications (pays for adaptations or alterations to a privately-owned vehicle that is the individual's primary means of transportation and for equipment needed to make the vehicle accessible to the individual)

Key Highlights – Group Homes and Shared Living Arrangements

+ Group Home rates based on staffing assumptions that vary based on level of need (see Appendix D of the rate model packet)

  + To promote flexibility, all staffing models allow for 24-hour staffing rather than assuming that all individuals spend the same hours away from the home

    + Since all staffing models provide sufficient funding for 24-hour staffing, the In-Home Day Program service would be eliminated

+ Single largest component of Shared Living Arrangement rates is the payment to the home provider, the assumed payments are unchanged since originally established

  + Proposal increases assumed payments by 33 percent to 50 percent

+ In addition to the standard model, proposal adds rates for arrangements where the Shared Living home provider is responsible for an individual's total care (that is, the individual does not receive other paid or unpaid day or employment services)

  + Proposal adds 35 percent to 70 percent to the payment to the home provider

  + This enhanced service will require additional oversight

Key Highlights – Community-Based Supports and Center-Based Supports

+ Proposed rates continue to vary by location of service (community-based and center-based)

   + Includes both shared service models and one-to-one services

   + Services not subject to any time of day restrictions

+ Service consolidation

   + Community-Based Supports consolidate existing Community-Based Supports and Community-Based Day Program services

   + Service definition will be expanded as needed to cover supports currently provided and billed under Prevocational Services

+ Proposed rates for group services continue to vary based on assessed need

   + Each tier is associated with an assumed staffing ratio

      + Assumed ratios better reflect current programs and reduce the range across tiers since most programs include individuals with a range of needs

      + Ratios used only to establish reasonable rates – services will be billed based on an individual's assigned tier regardless of a program's staffing ratio

Key Highlights – Transportation and Job Coaching

+ Proposal for Transportation services replaces current tiered rates with a single payment rate

+ Transportation billing alternative rules would remain the same to support extended travel needs and alternative modes (such as using ride share services)

+ Proposed Job Coaching model would reimburse providers based on the number of hours that an individual works rather than the number of hours of support provided, which incentivizes providers to work with individuals to increase their work hours (when appropriate) and to fade unnecessary supports

   + This reimbursement model requires assumptions related to the ratio of individuals' work hours and the amount of support they receive

      + This data is not yet available so implementation of the rates will be delayed until it can be collected

      + In the interim, a single Job Coaching rate will be used to replace the current monthly Job Retention and 15-minute Job Coaching rates

Key Highlights – Professional Services

+ Consolidates multiple existing services for supports provided by licensed practitioners

  + Professional Services while at Day Program

  + Community-Based Supports by Professional Staff

  + Natural Supports Training by Professional Staff

    + Natural Support Training by other staff (labeled the "standard" rate) will be billable as Community-Based Supports

+ Proposed rate variations

  + Rates vary by practitioner (e.g., different rates for psychiatrists, nurses, social workers, etc.)

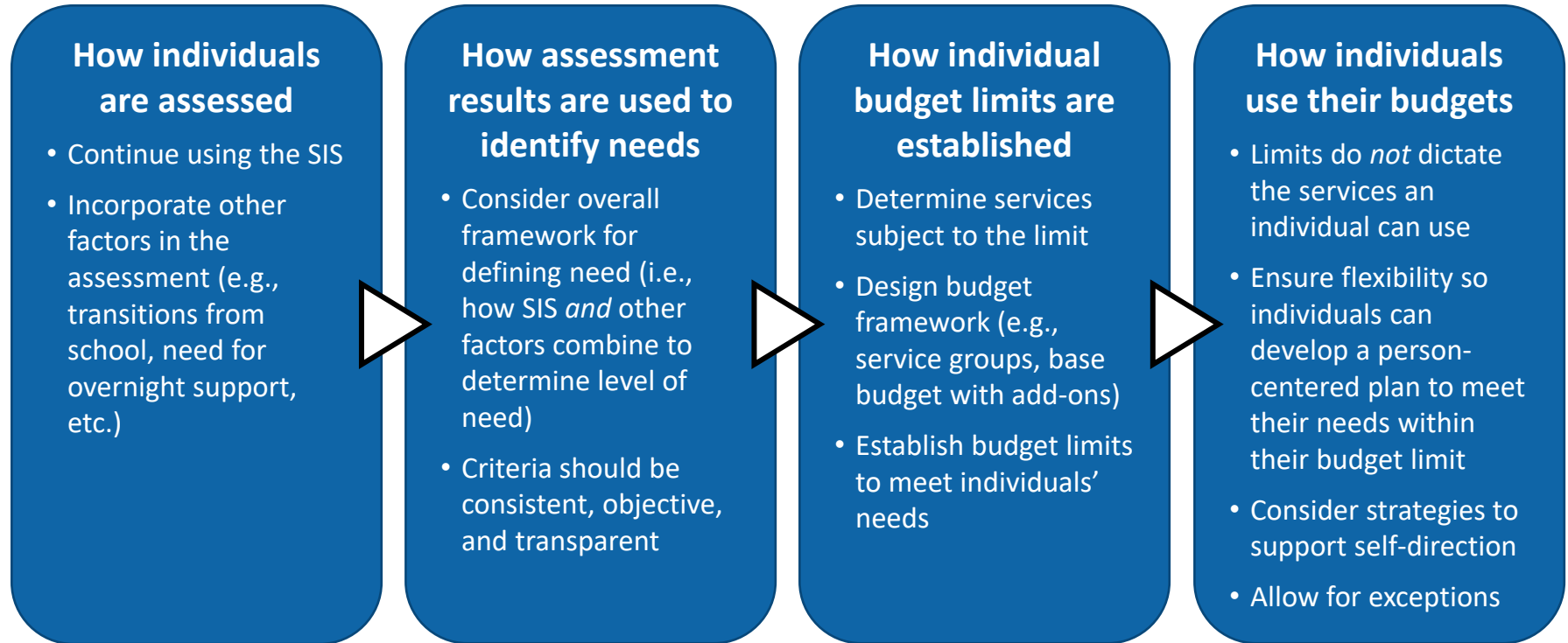 + Rates vary by location (office/ clinic/ telehealth, and home/ community)

ASSESSMENTS AND INDIVIDUAL BUDGETS

Individual Budget Limits – Overview

+ Review of individual budget limits considers the *entire* process, from assessment to assignment of a budget limit to development of a person-centered plan

How individuals are assessed

- Continue using the SIS
- Incorporate other factors in the assessment (e.g., transitions from school, need for overnight support, etc.)

How assessment results are used to identify needs

- Consider overall framework for defining need (i.e., how SIS *and* other factors combine to determine level of need)
- Criteria should be consistent, objective, and transparent

How individual budget limits are established

- Determine services subject to the limit
- Design budget framework (e.g., service groups, base budget with add-ons)
- Establish budget limits to meet individuals' needs

How individuals use their budgets

- Limits do *not* dictate the services an individual can use
- Ensure flexibility so individuals can develop a person-centered plan to meet their needs within their budget limit
- Consider strategies to support self-direction
- Allow for exceptions

+ These elements must be considered in combination (e.g., cannot make decisions related to individual budget limit amounts without defining assessment criteria)

Individual Budget Limits – Postponement of Evaluation

+ The evaluation of the assessment framework is postponed to 2023 due to changes in the Supports Intensity Scale for Adults (SIS-A)

  + In February 2022, the American Association on Intellectual and Developmental Disabilities (AAIDD, publishers of the SIS-A) announced that the second edition of the SIS-A would be released in early 2023

    + The revision incorporates a number of updates including minor rewording and reordering of some questions, expansion of the medical and behavioral sections, and changes to scoring

  + Although the SIS-A will *not* be the only consideration in the assessment of individuals' needs, it will be part of the framework

+ Stakeholder input will be considered throughout the evaluation

  + Further outreach regarding current strengths and challenges

  + A validation process involving external stakeholders to review all aspects of the assessment and individual budget limits frameworks

  + A comment process to provide feedback on the proposed frameworks

Assessing Individuals

+ Individuals will continue to be assessed using the SIS-A

> + Offers a tested and structured tool to gather insights into the types and amounts of supports that individuals need to perform various activities of daily living
>
> + Also collects some data on medical and behavioral conditions and supports

+ Based on stakeholder feedback, the SIS-A will be supplemented with other assessment questions to gather information not covered by the SIS-A as well as issues related to how individual needs are met

> + Potential examples
>
> > + Life transitions (such as aging out of high school)
> >
> > + Communication needs (such as being deaf or hard of hearing)
> >
> > + Availability of unpaid supports and related issues (such as aging caregivers)
> >
> > + Sleep-related issues

Using Assessment Results

+ Once an individual is assessed (using both the SIS-A and supplemental assessment questions), the results will be translated to a framework that defines their needs

+ Second edition of the SIS-A provides an opportunity to revisit how the results are used

    + Number of levels of need (or whether to maintain levels)

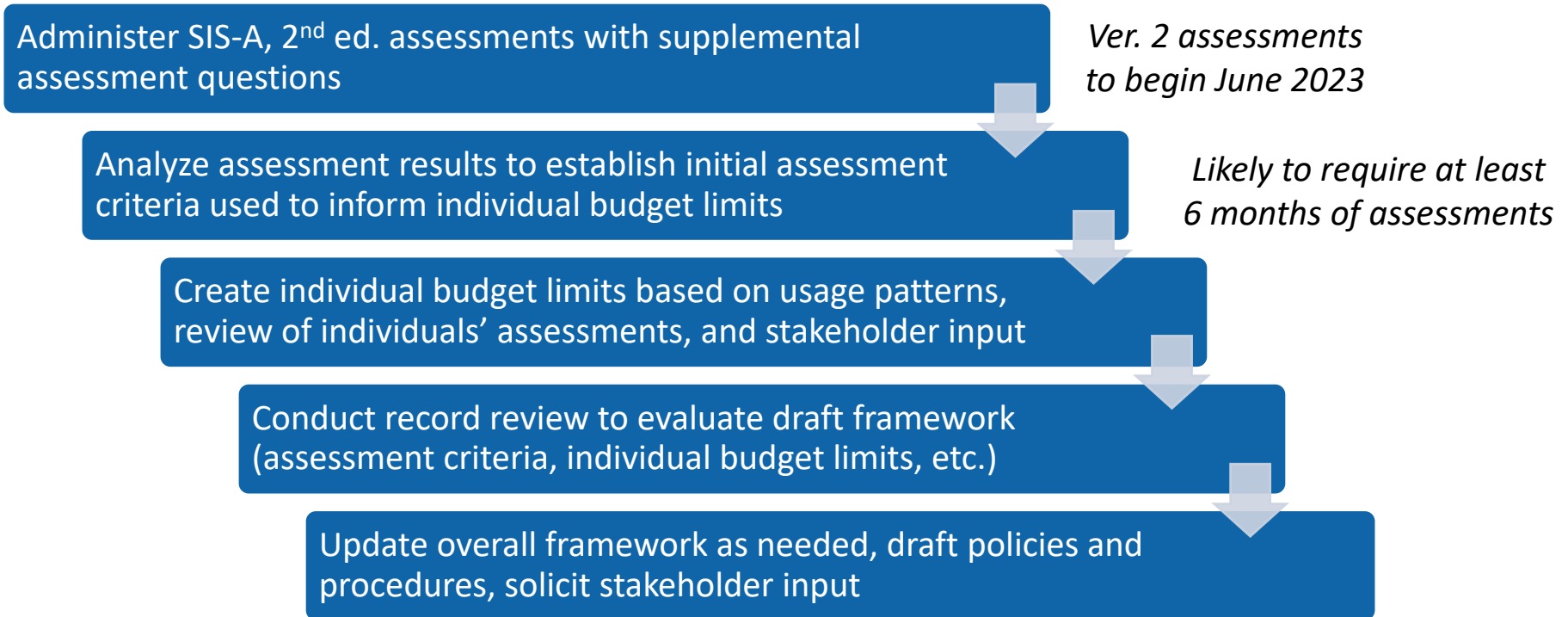   + Criteria (which sections are used and what scoring thresholds are established)

+ Other assessment questions will be integrated into the criteria used to define individual needs in a structured and consistent manner

    + For example, could directly influence the assignment of levels

    + Or, could be used to create an 'add-on' to an individual budget limit (for example, someone might be assigned to a base budget based on their level of need, but receive additional funding to meet their needs during a transitional period)

Establishing Individual Budget Limits and Managing Budgets

+ After developing a framework for using assessment results to determine individual needs, individual budget limits will be established to meet those needs

  + Considerations

    + Services subject to the budget limits (and which services are billed in addition to the budget limits)

    + Types and amounts of supports assumed to meet typical needs, including how these assumptions vary based on individual differences

+ Individual budget limits provide a planning ceiling, but do not prescribe any specific set of services

  + Considerations

    + Ability to manage to an overall budget, rather than individual components

    + Impacts on individuals who choose to self-direct some or all services

    + Exceptions process when individuals need more support than included in their individual budget limit

Evaluation of Assessment Framework

+ Given the significant changes being considered, a thorough and inclusive process will be required to review the assessment and budgeting framework

Administer SIS-A, 2nd ed. assessments with supplemental assessment questions

Ver. 2 assessments to begin June 2023

Analyze assessment results to establish initial assessment criteria used to inform individual budget limits

Likely to require at least 6 months of assessments

Create individual budget limits based on usage patterns, review of individuals' assessments, and stakeholder input

Conduct record review to evaluate draft framework (assessment criteria, individual budget limits, etc.)

Update overall framework as needed, draft policies and procedures, solicit stakeholder input

Review of Individual Budget Limits

+ Assessment results and individual budgets are inextricably linked

  + Currently, assessment results determine both the rate paid for certain services and the assumptions of the types and amounts of services used to calculate typical budgets

  + Comprehensive review of current budgets will be conducted as part of the development of a new assessment framework in 2023

+ Several adjustments to the existing design and administration of individual budgets are recommended in the interim to address concerns raised by stakeholders

  + Move employment supports outside of budget limits

  + Price all 'day program' hours at community-based rates

  + Establish predictable community-based supports and center-based supports costs (currently labeled 'day programs')

  + Increase ability to flexibly allocate dollars across services

  + Update budgets to reflect revised rates

Move Employment Supports Outside of Budget Limits

+ Stakeholders expressed concerns about the use of employment supports quickly consuming individuals' budgets due to higher rates for these services

+ Current budgets assume that individuals receive a mix of shared center-based and community-based day program services

  + When used, employment supports are charged against this budget allocation

  + However, employment supports are substantially more costly (on an hour-by-hour basis) than these services

  + As a result, if an individual chooses to access employment supports, they can afford fewer hours of service than individuals choosing day programs

+ To support Employment First goals, it is recommended that employment supports be available without budget limits

  + That is, an individual can receive employment supports *in addition to* their existing budget amounts

  + Allows individuals to pursue employment knowing they will have access to the supports they need to be successful in their jobs without having to give up other needed services

Price All Day Program Hours at Community-Based Rates

+ Current tier packages include 1,536 hours of 'day program' services

    + These hours are priced based on an assumption that 60 percent of the supports occur in the community and 40 percent occur at a center

    + If individuals receive a higher proportion of hours in the community, they either need an exception or will have to use fewer total hours

+ It is recommended that all day program hours be priced at the higher community rates

    + Individuals may choose center-based services, but this recommendation offers more flexibility (that is, an individual can choose to receive all of their supports in the community)

Establish Predictable Community-Based and Center-Based Support Costs

+ Rates for community-based and center-based services are tiered with higher rates for services with more intensive staffing (lower staffing ratios)

+ Current budgets are based on an individual's assigned tier, but actual billing is based on the program's staffing ratio, which the individual has no control over

    + If an individual is in a program with a more staffing intensive ratio than assumed in their budget, they will not be able to access as many hours of support as assumed in their budget

    + Since individuals generally do not know the ratio that their program will bill, they do not know how many hours of service their budget will be able to afford

+ Consistent with most other tiered services, it is proposed that billing be based on an individual's assigned tier regardless of the program's actual staffing ratio

    + For example, providers would bill the same rate for everyone assigned to Tier A rather than the current practice of billing based on ratio (that is, providers may bill any rate tier for someone assigned to Tier A based on a program's ratio)

    + This change would ensure an individual and all of their providers know exactly how many hours of support an individual is able to access

Increase Ability to Flexibly Allocate Dollars Across Services

+ Stakeholders expressed a need for greater flexibility within the individual budgets

+ Currently, individual budgets are actually a combination of several 'sub-budgets' that cover different groups of services

    + For example, the individual budgets for individuals living in an apartment or house include allotments for Case Management, Community-Based Support, Overnight Support, Day Program, Transportation, and Professional Services

+ Propose that most sub-budgets be rolled together, allowing individuals to manage to an overall budget by choosing the services that best meet their unique needs

    + Would apply to Community-Based Supports, Day Program, Transportation, Overnight Shared Supports, and Respite

    + Would exclude services with a fixed cost that must be accounted for

        + Group Home and Shared Living Arrangement (an individual cannot choose to use fewer days of support)

        + Case Management

        + Assistance with self-direction (Financial Management Service and Supports Brokerage)

        + Professional Services (which should be available as needed)

Update Budgets to Reflect Revised Rates

+ Budgets are established by multiplying the assumed amounts of services that an individual will receive by the rates for those services

    + Thus, when rates change, budgets need to be updated to ensure that individuals are able to access the same amount of service

        + These updates are consistent with BHDDH's current practices when rates change

CONTACT INFORMATION

Stephen Pawlowski

spawlowski@healthmanagement.com

(602) 466-9840

3030 North 3rd Street, Suite 200

Phoenix, Arizona 85012

www.healthmanagement.com/who-we-are/burns-associates/