Rate Rebase and OAP Redesign Provider Advisory Group Meeting

February 8, 2017
Meeting Agenda

I. Agenda/Introductions
II. Contact Information
III. Project Overview
IV. Stakeholder Engagement Role
V. Phase I Rollout Process
VI. Review of Drafts and Protocols
VII. Phase II Overview
VIII. Next Steps
Contact Information

NE Division of Developmental Disabilities
- Primary Contact - Tony Green, Deputy Director of DDD – Tony.Green@nebraska.gov

Optumas
- Steve Schramm, Founder & Managing Director – steve.schramm@optumas.com
- Martin McNamara, Project Manager – martin.mcnamara@optumas.com

Alvarez & Marsal
- John Cox, Managing Director – jcox@alvarezandmarsal.com
- Wanda Seiler, Senior Director – wseiler@alvarezandmarsal.com
- Brian Allen, Manager – ballen@alvarezandmarsal.com
Rate Rebase and Objective Assessment Process (OAP) Redesign

**Goal:** To assess and improve Nebraska DDD’s current Medicaid Waiver rate structure to ensure appropriate reimbursement.

**Phase I – Rate Rebase:** Understanding service costs and cost components
- Analyzing costs for a comparison to service revenues
- Understanding the cost components within a service rate

**Phase II – OAP Redesign:** Changing reimbursement structure for services
- Using findings from Phase I and other predictors of need to reform rate structure
- Altering payment methodologies to better match payment to risk
Stakeholder Engagement

NE DDD is committed to stakeholder engagement - ensuring people receiving services, families, advocates, and the general public have the opportunity to advise and influence reforms.

Advisory Workgroups

1. Rate Rebase and OAP Redesign Provider Advisory Group (Wednesday)
   - Eleven providers nominated by NE provider associations
   - In person meetings - review draft protocols, analyze findings, inform decision making

2. DDD Program Staff Briefing and Q&A (Thursday)

3. Rate Rebase and OAP Redesign Stakeholder Workgroup (Friday)
   - Statewide participation from the spectrum of stakeholder groups
   - Webinars coordinated with RR and OAP Redesign PAG meetings
Phase I Data Review

1. **Provider General Ledger Review**
   - Revenue and Expenses for SFY15, SFY16, & SFYTD17 (through 9/30/16)
   - Review of raw data extracted from provider accounting systems (no need to make any edits/changes)
   - Data to categorize and allocate revenue/expenses by service, type, and date
   - Chart of Accounts

2. **Staffing Information**
   - Request a list of staff distinguishing roles (direct care, program support, and admin).
   - Information to categorize and allocate staffing costs by service

3. **Validation Process**
   - Used to validate individual provider GL information
   - Used to validate cost component percentages in aggregate

4. **Other Considerations**
   - No HIPAA-related or sensitive participant information
   - All data should be provided in Microsoft Excel format
Phase I Rollout Process

1. **Provider Selection (2/8/17 – 3/1/17)**
   - 40 to 50 agencies
   - Representative Sample – services, geographic location; agency size
   - Confirm participation


   - 2 – 3 provider volunteers
   - Introductions, data submission instructions, initial review of COA
   - A&M GL review and follow up calls
   - A&M /Pilot Provider joint review of findings

*Helping People Live Better Lives.*
Phase I Rollout Process (cont’d)

   - RR and OAP Redesign meeting to review pilot findings – data and challenges
   - Finalize GL Review Protocols
   - OAP Redesign PAG Meeting 2 March 1, 2017

   - 3 Providers
   - Apply Lessons Learned from Pilot

6. **New Groups Rolled Out Every Other Week** (3/17/17 – 6/2/17)
   - Rate Rebase and OAP Redesign PAG meetings will be held every other month
   - Major project changes will be communicated to stakeholder groups
Review of Drafts & Protocols

1. Provider Sample
   - Services
   - Size
   - Region

2. Provider Data Request Correspondence

3. RR and OAP PAG Protocols
   - Meetings
   - Correspondence
Phase II Overview

MODERN ART GALLERY

It's called PATH TO PAYMENT

Next Steps

1. Comments/Questions/Feedback by end of week (2/10/16)

2. Pilot Rollout Next Week

3. Next Meeting (3/1/17 from 10 am to 3 pm)
Brian Allen
Manager, Alvarez & Marsal

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571-243-2534
## Appendix 1 – Cost Accounting Example

### Accounting Methodology

<table>
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<th></th>
<th>DDD Non Waiver</th>
<th>DDD Non-DDD Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Service 1</td>
<td>Service 2</td>
<td>Service 3</td>
</tr>
<tr>
<td>Admin Allocation</td>
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<td>$13,013</td>
<td>$6,483</td>
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<tr>
<td>Wages</td>
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<tr>
<td>ERE</td>
<td>$1,000</td>
<td>$5,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>Program Support</td>
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<td>$10,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>Other</td>
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<td>$500</td>
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<tr>
<td>Non-Allowable</td>
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<td>$400</td>
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<tr>
<td><strong>Total w/o admin</strong></td>
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<tr>
<td>Admin</td>
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<td>$13,013</td>
<td>$6,483</td>
</tr>
<tr>
<td><strong>Total w/ admin</strong></td>
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<td>$40,583</td>
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<tr>
<td>Revenue</td>
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<td>$80,000</td>
<td>$39,000</td>
</tr>
<tr>
<td>Profit/Loss</td>
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<td>$(1,463)</td>
<td>$(1,583)</td>
</tr>
<tr>
<td>Margin</td>
<td>9%</td>
<td>-2%</td>
<td>-5%</td>
</tr>
</tbody>
</table>

**Notes:**
- Admin% represents the percentage of total expenses allocated to administration.
- Revenue includes all income sources for each service.
- Profit/Loss reflects the difference between revenue and expenses, indicating profitability or losses.
- Margin represents the profitability margin for each service.