



## **Community-Based Services Rate Methodology/OAP Implementation**

### ***Current Rate Methodology***

The Division's Home and Community Based Services (HCBS) Waivers provide that developmental disability services in Nebraska are cost reimbursed to specialized providers. The current rates paid for DD services are based upon a rate methodology developed by Deloitte & Touche in 1992. Those initial rates were based upon 90% of the wages of the Developmental Technician I position at the Beatrice State Developmental Center. Since 1992, rates have been adjusted using a cost of living adjustment in the original methodology when new funding was appropriated for this purpose. In 2008, a report produced pursuant to a study required by Legislative Resolution 156 recommended a 15% rate increase and proposed that a new rate methodology study be initiated, but no action was taken on those recommendations at that time.

### ***Objective Assessment Process***

The Developmental Disabilities Services Act requires that funding be allocated to individuals based upon their needs as assessed by an Objective Assessment Process (OAP). The current OAP process began its prospective incremental implementation in January of 1999; this process utilized the Inventory and Client Agency Planning (ICAP) standardized assessment to determine individual need. Pursuant to a study provided for by Legislative Bill 291 (2004), the OAP process was evaluated and some recommendations were made (particularly with regard to suitability for persons with exceptional need); the current regulations relating to developmental disability services provide for an exception process that addresses many of the concerns noted in the LB297 report. Since 1999, the OAP process has been utilized to assess need and determine funding for new people entering services. It has also been used to reassess need/funding for people whose support needs have increased via the Service Needs Assessment process. Yet, the OAP has not been fully implemented for many people who entered services prior to 1999.

### ***The 2009-10 Study***

In 2009, the Legislature appropriated \$150,000 for a rate methodology study for community-based developmental disability services. Pursuant to a public bidding process, Navigant was chosen to perform the study. Navigant completed their work in November 2011 after working closely with the Division and providers of specialized services to gather data and develop a methodology. In order to address the Legislative mandate that assisted (continuous) services be paid at a daily rate, rather than the previous 'per unit' rate structure, the Division incorporated

daily rates into the renewals of our adult HCBS Waivers that were implemented in January, 2011. Since each person's funding allocation is different, our only option was to create individualized daily rates, which has become difficult to manage. The Division asked Navigant to explore methods to structure a payment system that set daily rates based on the assessed needs of individuals.

The study proposed a rate methodology based upon the actual current costs of providing specialized developmental disability services in Nebraska, with provisions for future adjustments for inflationary purposes. The study also takes into consideration the OAP process, and presumes full implementation of the OAP for all persons in services. This is important, because CMS would not likely approve a waiver amendment that, on its face, did not sufficiently provide for the assessed needs of the persons covered by the waiver. Thus, the study not only addresses rate methodology, but implementation of this new rate methodology will also result in full implementation of the statutorily mandated OAP.

Implementation of the rate methodology study is included in the Governor's current budget proposal. This will effectively ensure that all individuals in services will be funded at their OAP, unless they have an approved exception. The rate methodology study will be available as a tool for the Legislature in setting future rates for DD services. The proposed rates are based upon the current costs of providing community-based DD services, with the addition of an inflationary factor to take into consideration the time period lapsed since the cost data collection period. The rate methodology will provide a set formula that can be adjusted by revising the various inputs (such as the direct support staff salary rate) or by making general inflation adjustments. A copy of the final report is available on the DHHS website for your reference.