

# Rate Rebase and OAP Redesign Provider Advisory Group Meeting

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February 8, 2017

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**DEPT. OF HEALTH AND HUMAN SERVICES**

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# Meeting Agenda

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- 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

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## NE Division of Developmental Disabilities

- Primary Contact - Tony Green, Deputy Director of DDD – [Tony.Green@nebraska.gov](mailto:Tony.Green@nebraska.gov)

## Optumas

- Steve Schramm, Founder & Managing Director – [steve.schramm@optumas.com](mailto:steve.schramm@optumas.com)
- Martin McNamara, Project Manager – [martin.mcnamara@optumas.com](mailto:martin.mcnamara@optumas.com)

## Alvarez & Marsal

- John Cox, Managing Director – [jcox@alvarezandmarsal.com](mailto:jcox@alvarezandmarsal.com)
- Wanda Seiler, Senior Director – [wseiler@alvarezandmarsal.com](mailto:wseiler@alvarezandmarsal.com)
- Brian Allen, Manager – [ballen@alvarezandmarsal.com](mailto:ballen@alvarezandmarsal.com)

# Rate Rebase and Objective Assessment Process (OAP) Redesign

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**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

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*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

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## 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

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## 1. Provider Selection (2/8/17 – 3/1/17)

- 40 to 50 agencies
- Representative Sample – services, geographic location; agency size
- Confirm participation

## 2. Finalize Pilot GL Review Protocols (2/8/17 – 2/10/17)

## 3. GL Review Pilot (2/13/17 – 3/15/17)

- 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

# Phase I Rollout Process (cont'd)

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## 4. Revise/Refine GL Review Protocols (2/13/17 – 3/15/17)

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

## 5. GL Review Group 1 (3/6/17 – 3/17/17)

- 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

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## 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



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# Next Steps

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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)**

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**Brian Allen**

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# Appendix 1 – Cost Accounting Example

Accounting Methodology							
	Service 1	Service 2	Service 3	DDD Non Waiver	Non-DDD	Fund Raising	Total
<b>Expenses</b>							
Admin Allocation	\$ 2,681	\$13,013	\$ 6,483	\$ 1,331	\$ 257	\$ 1,236	\$ 25,000
Wages	\$ 10,000	\$50,000	\$ 25,000	\$ 5,000	\$ 1,000	\$ 5,000	\$ 96,000
ERE	\$ 1,000	\$ 5,000	\$ 2,500	\$ 500	\$ 100	\$ 500	\$ 9,600
Program Support	\$ 2,000	\$10,000	\$ 5,000	\$ 1,000	\$ 200	\$ 1,000	\$ 19,200
Other	\$ 800	\$ 3,200	\$ 1,200	\$ 500	\$ 50	\$ -	\$ 5,750
Non-Allowable	\$ 300	\$ 250	\$ 400	\$ -	\$ -	\$ -	\$ 950
<b>Total w/o admin</b>	<b>\$ 14,100</b>	<b>\$68,450</b>	<b>\$ 34,100</b>	<b>\$ 7,000</b>	<b>\$ 1,350</b>	<b>\$ 6,500</b>	<b>\$131,500</b>
Total w/ admin	\$ 16,781	\$81,463	\$ 40,583	\$ 8,331	\$ 1,607	\$ 7,736	\$156,500
Admin%	16%	16%	16%	16%	16%	16%	16%
<b>Revenue</b>	<b>\$ 18,000</b>	<b>\$80,000</b>	<b>\$ 39,000</b>	<b>\$ 9,000</b>	<b>\$ 1,500</b>	<b>\$ 8,000</b>	<b>\$155,500</b>
<b>Profit/Loss</b>	<b>\$ 1,219</b>	<b>\$ (1,463)</b>	<b>\$ (1,583)</b>	<b>\$ 669</b>	<b>\$ (107)</b>	<b>\$ 264</b>	<b>\$ (1,000)</b>
Margin	9%	-2%	-5%	10%	-8%	4%	-1%