

NE DDD Stakeholder Rate Development Update

JUNE 19, 2018

Overview

- Why Rate Reform
- Service Definition Review
- Rate Development Methodology
- Data Sources
- Wages
- Employee Related Expenses
- Availability Factor
- Mileage
- Program Support & Administration
- Fully Funded Rates and Appropriations
- Future Steps

Why Rate Reform

- CMS expectation is that states will conduct rebase studies every 5 years.
- NE last performed a rebase study in 2011, which was implemented in 2014.
- NE is required by CMS to complete and implement this rebase initiative.

Service Definition Review

Current Services

Residential Services

- Residential Habilitation
 - ⑩ Group Home
 - ⑩ Extended Family Home
- In-Home Residential Habilitation
- Adult Companion Service

Becomes



Proposed Services

Residential Services

- Continuous Residential Habilitation
- Host Home
- Shared Living
- Independent Living
- Supported Family Living

Service Definition Review Cont.

Current Services

Day Services

- Adult Day Service
- Habilitative Workshop
- Habilitative Community Inclusion
- Prevocational
- Supported Employment Enclave
- Supported Employment Individual
- Supported Employment Follow Along



Proposed Services

Day Services

- Behavioral In-Home Habilitation
- Medical In-Home Habilitation
- Adult Day Service
- Habilitative Workshop
- Habilitative Community Inclusion
- *Community Integration (Future)*
- Prevocational
- Enclave
- Supported Employment Individual
- Supported Employment Follow Along

Service Definition Review Cont.

Current Services

Other Services

- Homemaker
- Respite
- Transportation
- Emergency Response System
- Consultative Assessment Service
- Crisis Intervention



Proposed Services

Other Services

- Homemaker
- Respite
- Transportation
- Emergency Response System
- Consultative Assessment Service
(includes Crisis Intervention)

Behavioral Risk Tier

- A 5th tier above the Advanced Tier, called the “Behavioral Risk Tier” will be added for participants with intense behavioral needs.
- The Behavioral Risk Tier will be determined by the ICAP, Risk Screens, and DDD Clinical review.
- Only applicable to the following services:
 - Continuous Residential Habilitation
 - Host Home
 - Shared Living
 - Habilitative Workshop
 - Habilitative Community Inclusion
 - *Community Integration (Future)*

Rate Development Methodology

- Data Sources
- Hourly Wages
- Employee Related Expenses
- Staff Availability Factor
- Mileage
- Program Support & Administration
- Convert Staff Hour to Billed Unit

Data Sources

- Agency Provider General Ledgers (SFY 2016)
- Agency Provider Payroll (SFY 2016)
- Staffing Ratio Survey
- Training Survey
- Bureau of Labor Statistics Wage Data (2016)*
- Feedback through multiple in-person meetings and conference calls with the Provider Advisory Group (PAG) and other stakeholders

* https://www.bls.gov/oes/2016/may/oes_ne.htm

Hourly Wages

- 2016 Bureau of Labor Statistics wages, Nebraska statewide
 - Trended forward with Consumer Price Index
- Social and Human Service Assistants
 - Applies to Direct Care Staff for most services
- Rehabilitation Counselors
 - Applies to Supported Employment Individual and Follow Along
- Maids and Housekeeping Cleaners
 - Applies to Homemaker
- Personal Care Aides
 - Applies to Respite

Employee Related Expenses

- Employee Related Expenses (ERE) are costs associated with having an employee beyond wages.
- Examples:
 - FICA taxes
 - Retirement
 - Health/dental/life insurance
 - Worker's compensation
 - Unemployment insurance

Staff Availability Factor

- Availability factor adjusts for time necessary for service delivery, but not during billable time.
- Examples:
 - Recordkeeping and reporting
 - Training
 - Individualized Support Plans and planning meetings

Mileage

- Mileage accounts for mileage while transporting the individual as part of waiver services.

Program Support & Administration

- Program Support is intended to cover the supports around the direct support professional specific to providing services as opposed to general business expenses.
- Examples:
 - Clinical supports
 - Nursing
- Administration is intended to cover the general business components of providing services.
- Examples:
 - Internet connection
 - Billing
 - Staff background checks

Fully Funded Rates and Appropriations

- Fully funded rates are based purely on the modeled data and represent the estimated cost of providing a service.
- Optumas calculates that implementation of the fully funded rates as modeled would require an additional 6.6% in funding for DDD during 2019, assuming CMS approval and legislative funding approval for Community Integration.
- The State must adjust rates to match current legislative appropriations for budget neutrality.

Fully Funded Rates and Appropriations Cont.

- Methodology to adjust rates to appropriations:
 - Decreases the modeled residential rates receiving the greatest increases.
 - Delays the implementation of Community Integration* and applies freed funding to other day services.

** Note: Community Integration remains pending CMS approval.*

Fully Funded Rates and Appropriations Cont.

- Modeled residential rates that are decreased to meet budget neutrality:
 - Basic, Intermediate, and High tiers of:
 - Continuous Residential Habilitation,
 - Host Home Residential, and
 - Shared Living Residential.
- The proposed residential rates adjusted in this step still receive an increase over current rates.

Fully Funded Rates and Appropriations Cont.

- Modeled day rates that are increased with delay of Community Integration:
 - Habilitative Workshop and
 - Habilitative Community Inclusion.

Future Steps

- DDD will continue to work with CMS to seek approval for new service definitions and budget adjusted rates.
- Community Integration
 - Community Integration will be 100% community time, as opposed to Habilitative Community Inclusion, which is majority community time.
 - Community Integration may be submitted to CMS for approval at a later date.

Summary

- Why Rate Reform
- Service Definition Review
- Rate Development Methodology
- Data Sources
- Wages
- Employee Related Expenses
- Availability Factor
- Mileage
- Program Support & Administration
- Fully Funded Rates and Appropriations
- Future Steps

Appendix: General Ledger Data Sample Overview

Service Name	Provider \$			Provider Count		
	Sample	Total	% Included	Sample	Total	% Included
Adult Day Hab	\$ 61,920,519	\$ 109,868,465	56%	10	32	31%
Behavioral Risk	6,057,014	10,708,203	57%	1	4	25%
Child Day Hab	1,449,083	3,761,803	39%	8	26	31%
Comp Res Hab	10,689,137	20,982,576	51%	10	26	38%
EFH Res Hab	19,567,693	34,958,784	56%	9	31	29%
GH Res Hab	37,371,855	74,593,716	50%	8	24	33%
ICE	236,071	573,471	41%	8	16	50%
In HM Res Hab	7,940,651	10,792,382	74%	10	28	36%
Med Risk	7,444,366	9,165,388	81%	2	4	50%
Spec Respite	175,556	350,526	50%	8	20	40%
Voc Plan Hab	4,396,563	6,745,449	65%	10	24	42%
Work Stat Hab	1,840,488	3,504,259	53%	4	12	33%
Total	\$ 159,224,073	\$ 286,623,695	55.6%	N/A	N/A	N/A

* Sample included certified providers with three years of fiscal data.

Takeaways:

- Of the identified original sample, current data represents over 55% of revenue
- Ten of twelve services have over 50% of sample revenue represented in current findings

NEBRASKA

Good Life. Great Mission.

DEPT. OF HEALTH AND HUMAN SERVICES