

DDS Rate Transition Steering Committee
2/5/13 Meeting Minutes

Present: P. Mason; S. Soby; M. Reyher; P. Fields; K. Banzhaf; S. Morris; P. Bourne

The purpose of the meeting is to review the status of the transition to LON based rates for DDS funded day programs.

Recap: DDS identified agencies with funding >8% of the established LON based rates. DDS and the providers worked together to realign budgets. As a result, there are now only 3 providers with funding >8% subject to the 1/7th reduction and 9 providers are receiving increases in funding. Starting 7/1/13, the conversion rate will be reduced to 1/6th. DDS is still refining the transition plan process and individual agencies need to review their own budgets and circumstances.

Conversions for contract services are more systematized. Individual budgets are still complicated because of the many variables and individual amendments. There are also some individual "extraordinary" services that will need to be considered. There should be URR authorization for any "extraordinary" funding circumstances.

There is still an issue of converting rates for "self-hires". This will be addressed separately.

Impact of FY13 funding increase (COLA):

Contracts: DDS will determine the amount of the agency increase and

- Give 1% any individual "under the rates"
- Everyone else will get the remainder of the funds

Individual Budgets: increase will be reflected in a rate change.

The new rates will be effective January 1, 2013.

The above formula is developed with the intent to drive the lower rates higher. DDS will assess overall impact at the end of April for 7/1/13 implementation.

Question of "LON Inflation" and Rates: DDS originally estimated it would cost \$1.5m to increase to LON based rates. It is now estimated to cost \$2.7m. Question if that is related to "LON inflation" or an increase in URR authorizations. LON scores are increasing. This can also be related to more accurate assessment of support needs and the increasing support needs in an ageing system.

Transition Process: There have been some concerns about the forms and overall process. In anticipation of the next meeting, the committee will request the trade associations survey providers for feedback and recommendations. Pat will follow-up with the trades.

Next meeting: 3/12/13 at 9:00 at TBD