

Utilization Payment Process

Introduction

Connecticut continues to have economic issues that started last year and significantly reduced state revenue. This has led to a series of reductions in the DDS budget. While the DDS operations have received most of the reductions, the funds used to pay private providers have also been affected. These reductions were discussed at the January Trades webcast and it can be viewed on the DDS website.

Reductions incorporated into the FY 2010 and FY 2011 Budgets

Reductions to the FY 2010 appropriation include a 1.0 million dollar reduction based on the rescission in 2009 and a reduction in transportation of \$1.25 million in transportation savings. Additionally, there is another \$1.25 million additional reduction based on transportation reductions in the FY11 budget.

Rescissions in FY 2010

As part of the state's ongoing efforts to reduce the deficit, DDS has received a series of rescissions to this year's budget approaching 9.0 million dollars. This reduction is approximately nine tenths of a percent of the total budget. Initial rescissions were largely focused on DDS operations. As more reductions were necessary, the Day Service funding was reduced by an additional \$250,000 and another \$3.46 million in November. These rescissions were in addition to the reductions DDS had received in funding for FY 2010 and FY 2011 in the 16108 account that funds day services.

Action to reduce the costs of Day Services

Given the reductions this year and the reductions already in the 2011 budget, action is required to adjust the funding for Day Service providers. Targeted reductions based on utilization ensure the best value for the taxpayer's dollar while providing the most service possible to families which is a priority during these lean times. Since the rescission of funding is for the full year, it is imperative that DDS implement a reduction option as soon as possible. Therefore, effective February 1st the payments will be based on utilization.

The Change to Utilization Reimbursement

In accordance with the anticipated FY11 day contract, providers will receive a contract service authorization for each individual funded under their Purchase of Service contract. Per Diem rates will be based on the identified amounts for each individual in the current FY2010 contract. The Contract Service Authorization (CSA) will identify the individual, the effective date, the type of supports, the amount of supports and the per diem rate the provider will be reimbursed. The per diem rate for group services will be based on a 90% utilization factor for the majority of providers. As this is a reduction option, providers of group day services with utilization above 90% as identified in the FY2009 Annual Report, will have the per diem rate of their participants in the respective program adjusted to factor in for the higher attendance. Individual Supported

Employment and Individualized Day Supports will be reimbursed on an hourly basis at the established Fee for Service rates.

Specifically, DDS will utilize the contract database and the individual records in CAMRIS to develop contract service authorizations (CSA) based on the identified supports and the funding attached to all participants. Providers will be reimbursed for each unit of service provided to every individual with the necessary CSA generated by the Region's Resource Administration Division. Attendance will be recorded through the WebResDay software by the provider and will be used by DDS to determine payments. Each day program is expected to operate a 5½ hour day program in accordance with contract requirements. A day of service for an individual in a group day program will be defined as providing the authorized supports specified in the CSA for at least 2 hours and 45 minutes recognizing that some individuals will sometimes attend partial days because of appointments or other commitments. The first payment after the implementation of utilization based reimbursement will be an estimated amount based on 1/12 of 225 days for every CSA. Payments, thereafter, will be an estimated payment (based on 90%) for the past month reconciled with the actual attendance for the previous month.

Amending the Contract

- The DDS will amend the current contract of all day providers. The total amount of the contract will not be reduced. The amendment will allow DDS to reimburse providers based on utilization of services.
- Individual participants will be attached to the contract through the Contract Service Authorization.
- The allocation amount of each individual will not be reduced.
- Providers will be reimbursed up to a maximum of the contracted total amount for all services provided. If overall utilization is higher than projected, a contract amendment will be developed to adjust the maximum financial amount of the contract.
- The amendment will reflect the following:

Payments: The Department shall reimburse monthly, by retrospective payment. Reimbursement for Day Programs will be based on the monthly attendance of the individuals supported by the contractor and the established per diem rate of an approved Contract Service Authorization. The Contract Service Authorization identifies the name of the individual, the effective date, the type of supports, the amount of supports and the annualized financial commitment the Department has authorized the contractor to provide. Payments will be made only after the Department's receipt and approval of required reports.

Contract Service Authorizations

- Contract Service Authorization (CSA) identifies the name of the individual, the effective date, the type of supports, and the amount of supports the Department has authorized the contractor to provide.
- DDS will work with the provider during the initial month of implementation to resolve any programmatic discrepancies listed on the CSA or WebResDay attendance program. The provider will be reimbursed only for the supports authorized on the contract service authorization.

Group Day services

- Participants in a group day program with an agency utilization rate at 90% or lower as documented in the FY2009 Annual Report will have their per diem rates based on 225 days. This allows for 35 days for holidays, personal days, sick days, vacation, training days and emergency closures.
- Participants in a group day program with an agency utilization rate above 90% as documented in the FY2009 Annual Report will have their per diem rates adjusted to factor in the increased number of days based on the percentage over 90%. For example, a program with a FY2009 utilization rate of 92% in their GSE program will have each of the participant's per diem rates based on 230 days (250 standard days divided by 92%).
- Providers who have two group day programs with one of those programs with utilization above 90% will have a combined percentage to avoid penalizing the provider.
- Participants with a documented part-time program will have their per diem rates based on 90% of the scheduled days per week. A documented part-time program is one that has been identified in the person's Individual Plan and the funding on the contract has been adjusted by the region to reflect the services provided. For example, an individual who attends a program three days a week would divide their annual allocation by 135 days (150 days divided by 90%).
- Participants with a blended program will have only one per diem rate that will be based on the current allocation of funding identified in the contract. Attendance reporting on WebResDay will remain the same.
- The utilization of services for all full time individual participants will be reimbursed up to a maximum of 250 days

Individualized day – vocational and non-vocational

- Participants in an individualized day supports program have been identified by the regions as to whether the program is vocational or non-vocational.
- Individualized day support is an individual program designed specifically for the participant. This service is not provided in or from a facility-based day program.
- Participants with an individualized day support allocation will be reimbursed on an hourly basis at a rate not to exceed the Individualized Day Support rate of \$ 32.20 under the Fee for Service.
- The individual, the provider and the region will determine the currently purchased weekly hours.

Individual Supported Employment

- Participants with an individual supported employment allocation will be reimbursed on an hourly basis at the SEI Rate under the Fee for Service.
- A contract Service Authorization will calculate the weekly hours of support by dividing the total allocation by the SEI rate. For example, a provider will be authorized for an individual with a total funding amount of \$9,065 for three hours of supports per week (\$9,065 divided by SEI rate of \$ 58.11 divided by 52 weeks).
- A one time amendment will be used to fund transportation for people in SEI for the remainder of the year. Transportation for people receiving Individual Supported Employment will be incorporated in next years payments.

Agency Hardship

Agencies that experience financial distress due to low utilization may request a one time emergency allocation. Factors that will be considered include comparing the overall utilization rate of the agency and the effect on reimbursement, strategies used by the agency to increase utilization or reduce costs, whether a higher rate than 90% utilization was used to establish the per diem, determination of whether the agency is a low rate provider, and the availability of funds. Individual participants with low utilization may be presented as part of this process.