

LON Based Rate Transition Workgroup

June 22, 2011

Those in Attendance: Joe Drexler, Peter Mason, Sheryl Kemp, Matt Reyher, Steve Morris, Stan Soby, Pat Bourne, Terry Edelstien, Elisa Velardo, Julia Wilcox, Katie Banzaf

Minutes of June 8 were corrected to include Katie Banzaf was in attendance and to include in the research of employee benefits the benchmarking of private provider staff that are eligible for the CT. Huskie insurance plan.

The Outline of Work for the committee was amended to include the impact that Collective Bargaining Agreements will have on the transition to LON based rates.

A discussion took place regarding the allocation of funding for new graduates based on an individual's Level of Need. Joe Drexler stated that the LON allocations have been in effect since July, 2010. The difference is that before 7/1/2011 the policy only limited participant's allocation to the maximum LON funding. Any proposal below the maximum would be accepted. As of 7/1/2011, all participants would receive the LON based allocation. This was instituted in order to not perpetuate the legacy system.

In addition, the regions were asking providers to submit information to the Utilization Resource Review (URR) committee on participants funded through a contract service authorization that were above the LON based allocations. This was being done to comply with the URR policy. Members were concerned that this policy will move the system along faster to LON rates faster than the stated 7 years proposed by the Commissioner. This was not the intent of the department. Joe stated that those allocations that were over due to wages and benefits and/or longer days should be transitioned during the seven year period. Members asked that written notification be sent out to all providers regarding the URR policy and the LON based allocations. This would provide a transparency of the rates for all providers.

A discussion took place regarding the Level of Need too and the inconsistencies in its application. Sheryl explained that each region has a LON Liaison that providers can call to express an issue of concern regarding a participant's Level of Need.

The committee reviewed the Outline of Work. Joe stated that he would ask Deb Heinrich to provide the committee with some benchmark information on employee benefits. Mark Schaeffer will be contacted to provide the committee with CT. Huskie information.

The committee discussed the idea of establishing a co-chair to the committee. The three trades would discuss this and make a recommendation to the committee. The committee agreed that the minutes would be rotated among the members.

The committee discussed the idea of breaking out into subgroups. The following groups were proposed:

1. Group A – to discuss Policies, Procedures, how to ensure the reliability of the Level of Need score, and the URR process as it applies to the transition to LON based rates

2. Group B – Sustainable Wages, benefits and the idea of indexing
3. Group C – a committee to develop the process once the rates have been fully instituted (ie. rate review, hardship, etc.)
4. Group D – Transition Options

To better understand the scope of the issue, Joe will present to the committee the breakdown of the effect the LON rates will have on the participants in the system.