Rate Transition Workgroup

September 28, 2011

Present: Pat Bourne, Peter Mason, Sheryl Kemp, Joe Drexler, Janice Chamberlain, Pam Fields, Stephen Morris, Stan Soby, Elisa Velardo, Julia Wilcox

Sheryl presented an update from the sustainability subcommittee. See report.
Pam and Peter presented the update from the Transition subcommittee that they had recommended the use of the 8% formula

The main workgroup discussion:

- Should there be parameters or specific directions how the money would be spent.
- It is a better sell to say "sustainable wages for employees" rather than "support for agency costs".
- If an agency was to misappropriate the dollars (i.e. not increase staff salaries) it would erode the trust the legislators would have for the entire system.
- The amount each agency receives or loses can never be more than is listed on the worksheets (amounts each agency needs to reach the rates) but it can be less.
- How should the money be appropriated – should it be laid out in detail or would it be put in the plan and then agreed upon;
- Concern that if it is left up to interpretation it could go bad on either side.
- Prevailing wage dilemma - If we do not have parameters the disparities will remain. When looking at sustainable wages there should be a target and a method to make sure the wage is sustainable.
- The committee agrees to uses the 8% levels in the rate adjusting process.
- The system will require annual reallocations of the repayment formula as things change (there will be a natural change each year as people come and go from the agencies)
- Transition Plan Proposal was handed out and reviewed.
- Agencies will need strategies to decide how to increase or decrease expenses to match revenues.
- Julia can possible get information that they had gatherer. This data could be collaboratively analyzed.
- If we set ranges the number of unknowns are less
- ranges of the parameters that an agency has to stay within should be set.
- Plans around employment may also allow additional funding to achieve better outcomes.

The Crux now is notifying all agencies of the process and giving them the information they need to develop their plans. Timing and communication are critical. The following outline was arrived at:

- Joe will craft a letter to go out no later than October 3rd. This letter will outline the key items we have worked out.
- Within two weeks the executive Briefs will be sent out and will include the transportation proposal.

- A letter will then be sent to specific providers who will be affected in January. Attached to the letter will be the information on how the agency will be affected and all their LON RATES.
- A statewide meeting will be held at the Neat Market Place on November 3rd at 1pm to outline the process – there will possibly be a breakout session of same size agencies.
- A web cast will be available of the information within two weeks
- Regions will hold individual meetings by the middle of December with all the agencies that will be negatively affected and continue to hold meetings after that time frame for the providers that will be effected positively. These meetings will be to set up a plan on how the agencies will adjust their expenses to match the revenue adjustments.
- The Transition plan will begin on January 1.