

Transition to Level of Need Based Rates

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**DEPARTMENT OF
DEVELOPMENTAL SERVICES**

DECEMBER 1, 2014

Welcome

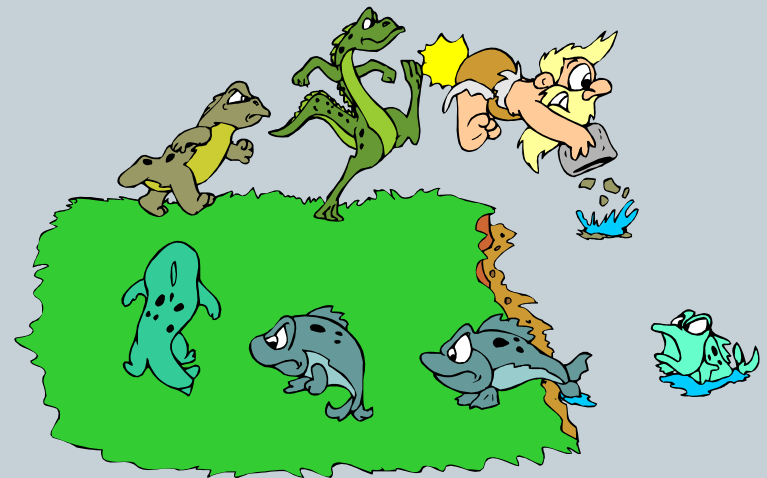
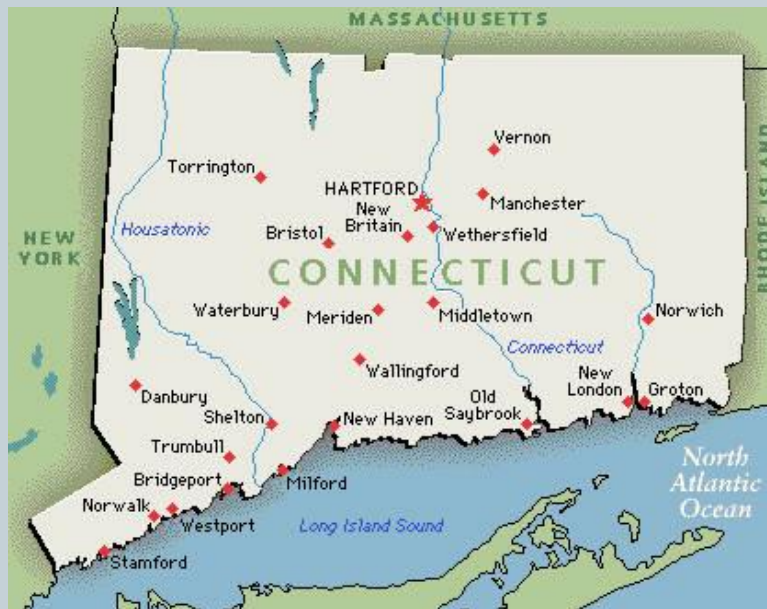
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- Thanks to the many people who have contributed to this initiative
 - Provider Representatives
 - DDS Staff
 - OPM
 - Legislators

Connecticut The Land of Steady Habits

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- 9 ½ Year process to reach this point
- 7 ½ Year process to complete the transition.



- Evolution not Revolution

Challenge to Change

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- For Some
 - Maintain Quality while moving towards rates
- For Others
 - Invest in staff and clinical while moving towards the rates
- The path will be different based on the specific circumstances

Presentation

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- Welcoming Remarks
- FY2015 Transition to CLA/CRS LON based rates
- Timeline of Events
- Legislative Rate Study
- Transition to Residential Rates committee
- Level of Need Rates
- Standard Residential Uniformed Rates
- Transition Plan
- Transition Process
- Questions

Transition to Residential LON Rates

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Implementation Date	January 1, 2015
Required to Transition	All Residential Providers
Required to Develop a Transition Plan	Providers that have a difference to the LON amount of more than \$ 100,000 and/or an amount greater than 10% of their total annual authorizations will be required to develop a transition plan.
Required to move to the Rates for January 1, 2015	Providers that will have their total annual authorizations increased/decreased no more than \$ 10,000 or 2% whichever is less.

Brief History

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Timeline of Events

1986	DDS had its first waiver accepted by CMS
2004	Provider Council began discussing new waivers and its effect on providers
2005	IFS and Comp Waiver was approved
2005	Initial Standardized rates were issued.
2005	Provider Waiver Work Group was formed to review standard rates
2006-2008	Standard rates were revised based on waiver work group recommendations

Brief History

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Timeline of Events

2009	Legislative Rate Study was signed into law and transition to day rates delayed
2011	Final Report issued by Legislative Rate Study Committee which recommended to adopt a uniform rate system through a five year transition plan beginning on July 1, 2011
2011	Commissioner Macy delays implementation until January 1, 2012 and extends transition for 7 ½ years.
2012	Day Transition begins
2012	Residential Rate Committee convened
2013	Individualized Home Supports for providers began transition to standardized Rates
2015	CLA and CRS home to begin the 7 ½ year transition to standardized rates based on an individual's level of need and size of the home.

DDS Response to Legislative Rate Study's Recommendations

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In Response to the Legislative Rate Study Findings, Commissioner Terry Macy:

- Delayed the start of the transition process for Day Services to begin January, 2012.
- Delayed the start of the transition process for Residential Services to begin January, 2013.
- Extended the transition from 5 to 7.5 years to provide more time for providers to adjust to the new system.
- Established a Transition to Residential Rates committee consisting of provider representatives and DDS staff to formulate a Transition plan.

Transition to Residential LON Rates Committee

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- A Transition to LON Based rates for Residential Services Committee was established.
- The committee consisted of representatives from the three trade organizations, parents, self-advocates and DDS staff.
- The committee formed five subcommittees:
 - **Transition and Implementation**
 - **IHS Rate Methodology**
 - **Data Management**
 - **Residential Options**
 - **Sustainability**

Transition to Residential LON Rates Committee

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Preliminary Findings:

- ✦ There was little data on how other states addressed the issue of disparity in funding levels among providers.
- ✦ Based on FY2012 data, determined that more than half of all authorizations were within 8% of the LON based rates.
- ✦ Rate implementation data should only be looked at as a “picture in time”. The system is fluid as individuals choose to move between providers and other types of supports.
- ✦ Each organization is unique and each provider should develop an agency specific transition plan.

Transition to Residential LON Rates Committee

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What we have learned from the transition to LON rates by Day providers

- ✦ A set of transition guidelines helped to provide consistency among the regions.
- ✦ Regions and the providers felt the transition plan was helpful in communicating to each other how the agency would implement the increase/decrease in their allocation.
- ✦ While the system continues to struggle with authorizations for individuals with unique day support needs, the transition to LON based rates for most individuals has simplified the authorization process.

Transition to Residential LON Rates Committee

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Recommendations:

The committee has recommended to the Commissioner:

- The residential transition begin on 1/1/2015.
- The transition will begin with an initial adjustment for all providers
- The initial adjustment to the legacy funding will be 3.0%.
- Beginning on July 1, 2015, the legacy funding will be adjusted by an equal percentage on a yearly basis. The cumulative 7 year adjustments will continue until such time that the provider has transitioned to the LON based rates but no later than 6/30/2022.
- The committee will continue to analyze the transition effect on the system and may from time to time adjust the rates and the timeline.

Level Of Need Tool

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- Determines the individual's need for supports in an equitable and consistent manner for the purposes of allocating resources
- Identifies potential risks that could affect the health and safety of the individual, and support the development of a comprehensive Individual Plan to address potential risks
- Identify areas of support that may need to be addressed to assist the individual in actualizing personal preferences and goals

Standard Rates Where We Were

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- The initial standard group home rates were effective in December 2012
- The rate methodology was based on direct care staff salary with adjustments for supervision, benefits, indirect expense and A and G costs
- The initial rate methodology used a monthly rate based on the individuals LON and the house size
- Providers were paid the full rate as long as they provided one unit of service
- Transportation was paid at \$ 1500.00 per person.

Standard Rates Where We Were

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- DDS used the initial CLA/CRS rates to determine the FY2013 rescissions.
- The lesson learned from the FY 2013 rescissions was:
 - the need for a full time one to one rate
 - a method to calculate a one to one rate for awake hours only
 - A more defined method for calculating transportation costs based on actual mileage
 - Additional rates for LPN and RN's that provide direct service to an individual

Standard Rates Where We Are

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- The annual allocation for an individual in a CLA or a CRS setting is based on his/her LON score and the size of the home.
- The uniformed monthly rate paid to the provider is based on the Person's Lon and Size of Home.

Rate Methodology For CLA/CRS Supports

Annual Authorization for an individual with a LON of 5 living in a 4 Bed CLA	\$88,481
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\$ 14.08
Hourly
Rate

		Share of the Percentage of Annual Rate	Share of the Annual Authorization
Hourly Rate	\$14.08	42.860%	\$37,923



Supervision factor of 25.0%

Hourly Cost for Supervision Factor	\$3.52	10.715%	\$9,481
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Nursing/Clinical Factor of 11.9%

Hourly Cost for Nursing/Clinical Factor	\$2.10	6.386%	\$5,651
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Substitute Staff for 30 days of direct care absences

Hourly Cost for Substitute staff	\$2.03	6.172%	\$5,461
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Employee Benefits Rate of	Hourly Cost for Benefits Factor →	\$5.79	17.631%	\$15,600
Indirect Expenses factor of 13.5%	Hourly Cost for Indirect Factor →	\$2.16	6.570%	\$5,813
Administrative & General Expenses factor of 10.7%	Hourly Cost for Admin Factor →	\$3.18	9.666%	\$8,552
Total Hourly cost For CLA/CRS Support		\$32.85		\$88,481

10/24/2014

Average Hours

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The LON based rates for CLA/CRS homes is based on the following:

- ❖ The average weekly hours the individual is at the home is 138 hours.
- ❖ This assumes the individuals will receive 6 hours per weekday of day supports.
- ❖ This assumes that on average it will take a minimum of $\frac{1}{2}$ hour to transport the individual to and from the day program.

The Transition Plan

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The transition meeting and plan development:

- Agenda will be standardized
- Format will be consistent between regions
- The Prime region will schedule the meeting and the other regions will send a DDS representative

The Transition Plan

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Transition Meeting will:

- ✦ Review the Rate Transition Goals and Applicable Regulations
- ✦ Identify current Residential Services
- ✦ Identify the waiver definitions for Residential Services
- ✦ Identify Provider responsibilities
- ✦ Identify DDS responsibilities
- ✦ Identify projected Provider Increase/decrease in funding
- ✦ Develop an Agency transition plan to implement funding change

The Transition Plan

The Transition Plan is a two step process:

Step One: The provider and the region(s) will meet to review the transition effect on the provider and agency specific information.

Step Two: For those who are required to submit a transition plan, the Provider and the region(s) will meet at a later date to review the plan and adjust the transition amount based on the findings of agency specific information.

The Transition Plan

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Agency specific issues to be discussed at transition meeting:

- Accurate and current LON score.
- Service participant utilization.
- Vacancy issues
- Salary, Wage and Benefit analysis.
- Staffing Ratios appropriate for quality services.
- Current Utilization Resource Review (URR) approvals.
- Administrative & General (A & G) analysis.
- Adjusting service participants to LON based resource allocations within existing agency funding.
- Identify unique characteristics of the home (ie. the participant(s) work at night, participant (s) require direct support from an LPN or RN, participant is transported by another agency, etc)

The Transition Plan

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Agency specific issues to be discussed at transition meeting:

- Providers should be prepared to discuss whether assistive technology and/or additional fire equipment could be installed in the home that would effect the number of direct staffing hours without reducing supports to meet the needs of the residences.

The Transition Plan

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Budget Plan

- The overall change in funding should be taken in context with the needs of the provider's program and the needs of the participants.
- Budget Plan will be a road map as to the implementation of the funding change
- Must be flexible and adaptable to meet the constant change in the make up of the participants in a program
- Narrative format
- Provider generated
- DDS must approve of the plan to ensure the health and safety of the participants and the integrity of the programs

The Transition Plan

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Budget Plan

Identifies areas in which the Provider may make changes:

- Administrative & General
- Organizational and Programmatic
- Staff wages and benefits
- Increase Utilization
- Clinical Staff
- Increase/Decrease: Number of Consumers, Numbers in 24 hour settings, House Hours, Staffing Ratios, etc.
- Assistive Technology
- Other



Connecticut Department of Developmental Services
Residential CLA/CRS Supports
Level of Need (LON) Rate Transition Plan

**Agency Receiving Increased Funding
Budget Plan**

Provider:

DDS Region:

Transition Meeting Date:

Executive Director/Principal of the Entity:

Summary of Budget Plan:

Specific Budget Areas to be addressed:

Administrative & General Areas:

Narrative:

	Current FY2015 Budget	FY2016 Budget Increase	Annualized Increase
A&G			

Organizational and Programmatic Areas:

Narrative:

	Current FY2015 Budget	FY2016 Budget Increase	Annualized Increase

Staff Salaries/ Benefits:

Narrative:

	Current FY2015 Budget	FY2016 Budget Increase	Annualized Increase
Salaries/Wages			
Benefits			

Clinical Staff Enhancements:

Narrative:

	Current FY2015 Budget	FY2016 Budget Increase	Annualized Increase
Staff Nurse			
Nurse Consultant			
Staff Behaviorist			
Behavioral Consultant			

Decrease# of Opportune Vacancies:

Narrative:

Program	Current FY2015 # of Opportune Vacancies	Projected FY2016 # of Opportune Vacancies	FY2016 Budget Increase	Annualized Increase
CLA				
CRS				

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Increase/Decrease Number of Consumers in 24 hour congregate settings:

Narrative:

Program	Current Number of FY2015 Program Participants	Projected Number of FY2016 Program Participants	Net Addition or reduction of Program Participants in FY2016	Annualized Increase/ decrease due to changes in the number of program participants
CLA				
CRS				
IHS				
CCH				
Shared Living				

Increase/Decrease House Hours:

Narrative:



Program	Current Number of FY2015 House Hours	Projected Number of FY2016 House Hours	Net Addition or reduction of House Hours in FY2016	Annualized Increase/ decrease due to changes in the number of program participants
Identify House				
Identify House				
Identify House				
Identify House				

Increase/Decrease Staffing Ratio:

Narrative:

Program	Current Number of FY2015 Program Participants	Current FY2015 Staffing Ratio Percentage	Projected Number of FY2016 Program Participants	Net Addition or reduction of Program Participants	Projected FY2016 Staffing Ratio Percentage	Annual Effect on Budget due to changes in staff ratios
Identify House						
Identify House						
Identify House						
Identify House						

Assistive Technology:

Narrative:

	Identify Current Assistive Technology used in the house	Identify Proposed Assistive Technology to be used in the house	FY2016 Projected Cost	FY2016 Projected # of hours Assistive Technology will enhance program hours	FY2016 Budget Projected Salary Reduction Due to the Assistive Technology
Identify House					
Identify House					

Other:

Narrative:

	Current FY2015 Budget	FY2016 Budget Reduction/Revenue Enhancement	Annualized Reduction/Revenue Enhancement

Total proposed Annualized Revenue Enhancements

Describe the Communication Plan the agency will use to inform the individuals, their families and DDS staff of this transition plan.

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Signature of DDS Regional Resource Administrator or designee

Date: _____

Signature of Provider*

Date: _____

Transition Process

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Portability is defined as when an individual moves from one agency to another agency.

When an individual changes settings within the same agency, this is not considered portability. The transition to LON rates is based on the provider's transition plan.

Transition Process

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- When an individual exercises portability, the individual's authorization is developed at the rates.
- If the individual exercising portability has an authorization above the LON amount and the provider is under the rates, the difference remains with the agency.
- If the individual exercising portability has an authorization above the LON amount and the provider is over the rates, the difference will be used by PRAT to redistribute to another person at a later date.
- When an individual changes settings within the same agency, this is not considered portability and the transition to LON rates is based on the provider's transition plan.

Transition Process

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When an individual moves from a CLA/CRS setting to a less than 24 hour support setting within the same agency, the individual will be allocated the new rate for that setting.

- The vacancy will be paid at the full current legacy amount for a two month period to allow the individual time to determine if the new setting best meets his/her supports.
- If the provider is below the rates, the difference in funding will be redistribute within the agency.
- If the provider is over the rates, the region will have the discretion to either recycle the remaining difference or negotiate with the provider as to a one-time emergency use for the agency.

Transition Process

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An individual's LON that is increased/decreased at an agency funded by the legacy rates will be balanced through the provider's transition plan to LON Residential Rates.

An individual's LON that is increased/decreased at an agency funded at the LON Residential Rates will be reviewed at an upcoming PRAT meeting to adjust the authorization.

Transition Process

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- As part of the Provider's transition, an agency may request to balance authorizations.
- Balancing authorizations is when one authorization is lowered to the LON rates and the money is transferred within the same agency to increase another authorization up to the LON rates.
- Balancing of authorizations is not a priority for January 1, 2015. The goal of the regions will be to balance as many authorizations as possible by June 30, 2015.

Evolving Supports

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As participants, families, providers and DDS strive to individualize supports, new types of residential settings may emerge. These types of settings may need new rates or payment mechanisms to come to fruition. Individuals, families, and providers are encouraged to present these new ideas to DDS and work with the Department to develop a working model. During this developmental phase, the rate transition process for the agency may be temporarily adjusted to allow time to determine whether the proposal is a viable project. The provider would still need to be at the rates by the end of the transition period.

Questions

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