

Transition Factor

The transition factor is a key element of the system change for Group Day programs. It quantifies the difference between the provider's existing funding and the new rates. It is a percent over or under 100% with 100% being the value produced by the rates. A provider with a transition factor over 100% has historically been paid more than the amount they would be paid under the rates and a provider with a factor under 100% has historically been paid less than amount they would be paid under the rates.

SEI will transition to the 58.11 hourly rate immediately on July 1, 2009. Given that the rate has not been a source of concern for providers, the more complicated billing requirements and the relatively smaller amount of the funding make it made sense to eliminate the additional complexity of transition calculations.

The plan has always to transition over several years. The transition factor will be initially calculated then adjusted each year towards 100% according to the transition plan.

Group Day Transition Rate Calculation								
		New Rates			Legacy Amounts			
Program	Type	Step from Rate Steps	Per diem based on Step	Amount Based on 225 Days	Contract Amount	Ind Bud Amount	Total	
Archie	Eastside DSO	DSO	12	100.32	22,572.00		19,638.00	
Betty	Eastside DSO	DSO	14	117.04	26,334.00	27,500.00	27,500.00	
Charles	Eastside DSO	DSO	15	125.40	28,215.00	36,000.00	36,000.00	
Donald	Work Crews	GSE	16	133.76	30,096.00	33,000.00	33,000.00	
Edith	Work Crews	GSE	13	108.68	24,453.00	24,000.00	24,000.00	
Total					131,670.00	120,500.00	19,638.00	140,138.00
				Raw Transition Percent			106%	

This raw transition percent would be modified based on the transition plan. The parameters are being worked on for the transition plan but a very simple illustration a plan with for a provider above and below the rates where the transition is equal changes is below over 4 years.

Transition from 106% of Rates				Transition from 94% of Rates			
		Raw	Transition			Raw	Transition
		Transition	Factor			Transition	Factor
Year One	0.75	106%	104.5%	Year One	0.75	94%	95.5%
Year Two	0.5	106%	103.0%	Year Two	0.5	94%	97.0%
Year Three	0.25	106%	101.5%	Year Three	0.25	94%	98.5%
Year Four	0	106%	100.0%	Year Four	0	94%	100.0%