

Change

Provider Training May 14, 2009
May 29, 2009

Change

- ⇒ It is not necessary to change. Survival is not mandatory. ~W. Edwards Deming
- ⇒ Those who expect moments of change to be comfortable and free of conflict have not learned their history. ~Joan Wallach Scott
- ⇒ If you want to make enemies, try to change something. ~Woodrow Wilson

A Long Journey

- ⇒ 2005 Waiver Workgroup began working on fee for service system
- ⇒ Numerous changes to approaches but has always been a fee for service system

Some Adjustments along the Way

- ⇒ First Rates based on 100% Utilization
- ⇒ 15 minute billing
- ⇒ Transportation at 43 cents
- ⇒ Separate Billing for transportation
- ⇒ 1 Rate with separate Billing for modifiers
- ⇒ Per hour staff rate 13
- ⇒ Utilization Factor of 90%
- ⇒ Per Diem billing
- ⇒ Doubled Reimbursement
- ⇒ Transportation part of per diem Structure
- ⇒ 8 Rates based on Level of Need.
- ⇒ Rates based on 14.75

Some Adjustments along the Way

- ⇒ All payments through FI
- ⇒ One Transportation Rate
- ⇒ Continued use of Contract
- ⇒ Accessible Transportation Rate added

Concerns about a 90% attendance factor in rates

Historically, Providers with contracts have been reimbursed for individuals without any regard to attendance. However:

- Utilization-based billing is consistent with the general direction of waiver services nationally.
- The rates the Department developed including a 90% factor have been successfully used for high school graduates since 2005.
- When considering there are 260 weekdays in a given year, the average person can have 35 days away from the day program including holidays, vacations and sick time before the provider's reimbursement is reduced from historical levels.

90 % Factor in Rates

We recently asked other states what utilization factor they were using. The response is as follows:

State	Percentage
California	100%
Maryland	95%
Delaware	92%
Oregon	90%
Massachusetts	85%

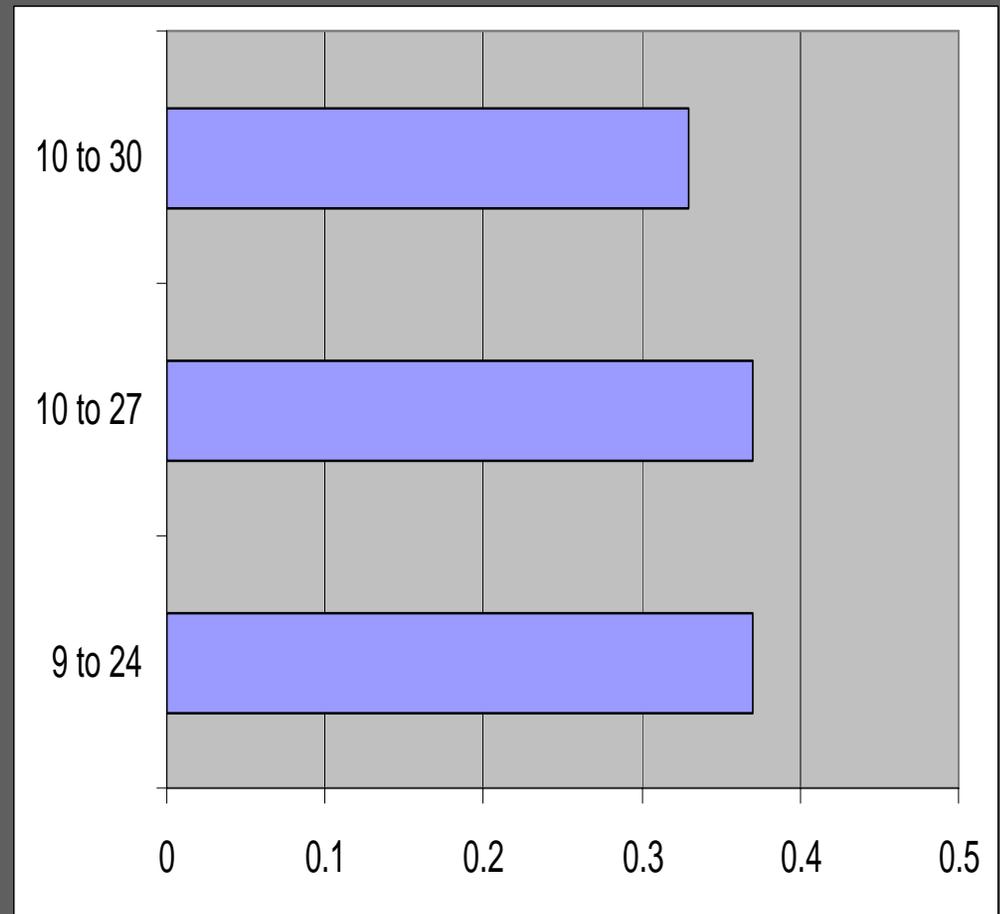
- Connecticut DDS has one of the more liberal attendance factors as compared to states who have shared information.
- Using the 90% factor, the state shares the financial burden but does not exclusively own it.

Utilization Based Payments and the Effect on Staffing

- ⇒ Hypothetical DSO for 30 people
- ⇒ 1 to 3 staffing with
- ⇒ 81 % attendance

Utilization Based Payments and the Effect on Staffing

- ⇒ Expected Resources 10 staff for 30 people
- ⇒ At 90% occupancy 10 staff for average of 27 people attending
- ⇒ At 81% the staffing would need to be reduced to 9 people for average of 24.3 people

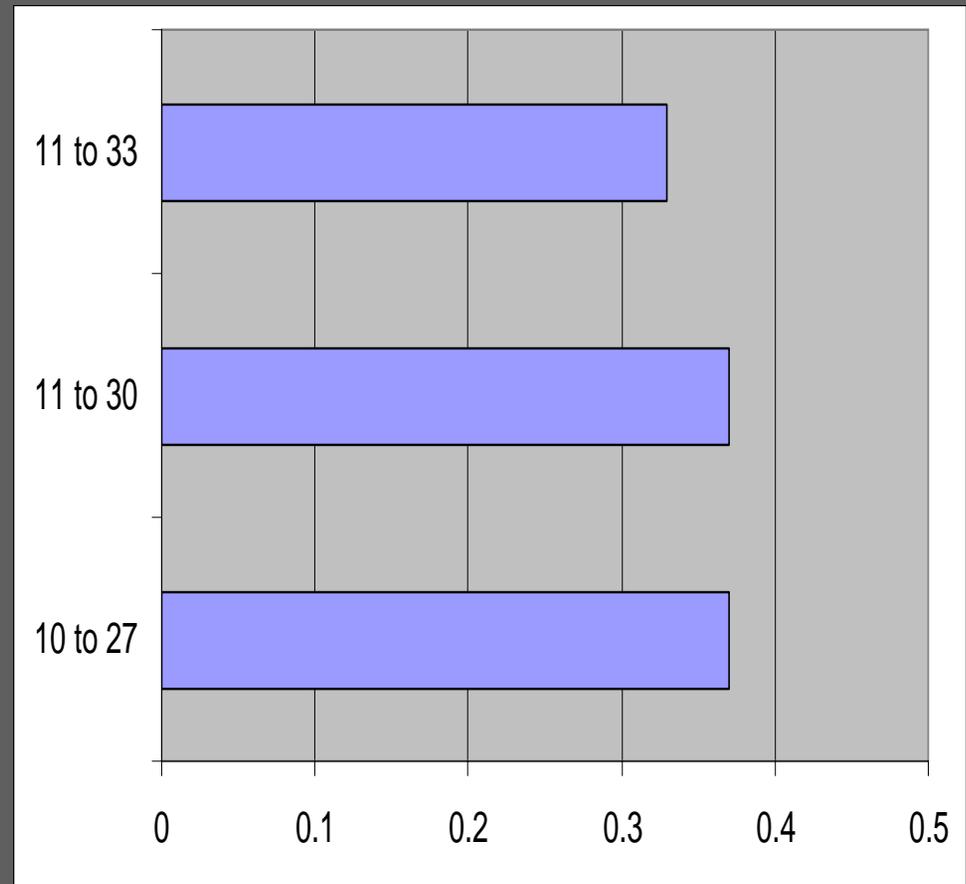


Utilization Based Payments and the Effect on Staffing

- ⇒ Hypothetical DSO for 30 people
- ⇒ 1 to 3 staffing with
- ⇒ 81 % attendance
- ⇒ Revenue at 90% \$677,160
- ⇒ Revenue at 81% \$610,949
- ⇒ Three School Grads with similar needs would fill gap

Utilization Based Payments and the Effect on Staffing

- ⇒ Expected Resources 11 staff for 33 people
- ⇒ At 90% occupancy 11 staff for average of 29.7 people attending
- ⇒ At 81% the staffing would need to be reduced to 10 people for average of 26.7 people



Goal: Allow providers to successfully adapt to the new fee for service system through a gradual change in historical reimbursement levels.

Year	Transition
2010	2% increase or reduction or adjust to rates if difference is less than 2%. Any additional resources available from system change will be used to address low rate providers.
2011	20% of the transition factor (after the first year) from rate or 2% whichever is greater or move completely on to the rate if the difference is less than 2%
2012	20% of the transition factor (after the first year) from rate or 2% whichever is greater or move completely on to the rate if the difference is less than 2%
2013	20% of the transition factor (after the first year) from rate or 2% whichever is greater or move completely on to the rate if the difference is less than 2%
2014	20% of the transition factor (after the first year) from rate or 2% whichever is greater or move completely on to the rate if the difference is less than 2%
2015	Providers paid at the rates. (last 20%)

Specific Provisions

- 1. All aspects of the transition plan will be implemented within DDS appropriations.**
- 2. Initial transition factor will be calculated to two decimals. (Whole percent) All values will be rounded down to a whole percent.**
- 3. Providers who are over the rates and have utilization over 90% will be paid for all billable days. However the transition factor will be recalculated to take into account actual utilization but the provider will not be paid an amount lower than the rates through this process.**

Specific Provisions cont.

4. Providers who are below the rates and have utilization over 90% will be paid for all billable days. Providers who are below the rates and have utilization under 90% will be paid for all billable days and will have their payments adjusted but will never be paid above the rates through this process.
5. In the first year providers whose attendance is below 80% capacity for group programs will receive a one time payment for the difference between actual attendance and 80% if their issue is not already addressed through #4. In determining potential days of attendance for people who start and end during the year, start date will be the first day person attends a program and end date the last day they attend.

LON Data from Contracts

Count of Last Name	
Voc LON	Total
1	966
2	1099
3	742
4	437
5	1013
6	655
7	831
8	45
Grand Total	5788





Maintaining Cash Flow to Providers

- ⇒ The Department of Developmental Services is hopeful that a State Budget will be in place by June 30 for FY2010.
- ⇒ In the event that a budget has not been approved, historically the state agencies have been given one months funding to pay for essential services.

Maintaining Cash Flow to Providers

- ➔ Depending on available appropriations, the July payment will be processed as usual.
- ➔ The August payment will be based on an estimated attendance for July services.
- ➔ The September payment will be based on an estimated August payment adjusted for the actual July attendance.
- ➔ In the unlikely event DDS experiences implementation issues in August that would effect the attendance based payment process, the Department would make the September payment based on the estimated attendance for August and adjust for July and August attendance in the October Payment.