

**Testimony
Human Services Committee
Department of Human Services
Representative Alon Wieland, Chairman
May 30, 2012**

Chairman Wieland, members of the Human Services Committee, I am Tina Bay, Director of the Developmental Disabilities Division for the Department of Human Services. I am here today to provide an update of the development of a new Developmental Disabilities Reimbursement System pursuant to Section 1 of 2011 Senate Bill No. 2043.

Please see the attached power point for further detail.

Developmental Disabilities Rate Setting Project – SB 2043

Human Services Committee
May 30, 2012

Background Information

- ▶ 2009 Legislative Session – HB 1556
 - Instructed the North Dakota Department of Human Services to contract with a qualified independent contractor to study the methodology and calculations for the rate setting structure used by the department to reimburse private, licensed developmental disability providers.
 - The study was required to address reimbursement adequacy and fairness of reimbursement rates among providers, and the level of medical and supportive services required by providers to adequately serve individuals in the different categories.
 - Before July 1, 2010, the Department was required to report the outcomes and recommendations of this study to Legislative Council.

Background Information Cont.

- ▶ The Department contracted with Burns & Associates to study the current cost-based retrospective payment system.
- ▶ Results of the study were shared with the Long-Term Care interim committee in September 2010.
- ▶ 2011 Legislative Session – SB 2043
 - Instructed the Department, in conjunction with developmental disabilities service providers, to develop a prospective or related payment system with an independent rate model utilizing the Supports Intensity Scale (SIS).

Background Information Cont.

SB 2043

- ▶ The following were further instructions of SB 2043
 - ❑ The Department shall establish a steering committee consisting of representatives from all interested providers and the Department. The steering committee shall guide the development of the new payment system including assisting a consultant to conceptualize, develop, design, implement and evaluate a new payment system.
 - ❑ The Department shall contract with a consultant by September 1, 2011, to develop, in collaboration with the steering committee, the payment system and the resource allocation model connecting funding to support intensity scale assessed needs of clients.

Background Information Cont.

SB 2043

- ❑ After the prospective or related payment system rates are developed, the new rates must be tested on a sampling of clients and providers, the sample to be determined by the steering committee, allowing sufficient time to capture provider cost, client realized need, and service provision data. The consultant shall provide the appropriate sampling number to sufficiently test the rates, types of services, and needs of clients with the intent to include as many providers as fiscally feasible.
- ❑ The Department shall contract with a team of support intensity scale assessors by September 1, 2011. The team shall begin assessing immediately the identified client pilot group identified by the consultant contracted in subsection 2.

Background Information Cont.

SB 2043

- ❑ Once testing is complete, the data must be analyzed by the consultant and the consultant shall make any needed rate adjustments, resource allocation modifications, or process assumptions.
- ❑ Beginning in June 2012, the Department and the steering committee shall report development activities and status information to an interim legislative committee.
- ❑ Implementation of any system developed under this Act may not occur before the implementation of the Department's new Medicaid Management Information System.

Activities To Date

- ▶ Steering committee established in June 2011.
- ▶ Members include:
 - Tina Bay – Facilitator - Developmental Disabilities Division (DDD) – Department of Human Services (DHS)
 - Barb Murry – Co-facilitator - President North Dakota Association of Community Providers (NDACP)
 - Paul Kramer - Fiscal Division – DHS
 - LeeAnn Thiel – Medicaid Division – DHS
 - Jamie Wilke - DDD-DHS
 - Wanda Carlson - Program Administrator Fargo – DHS
 - Tom Newberger - Provider – Red River Human Services Foundation
 - Borgi Beeler - Provider – Minot Vocational Adjustment Workshop
 - Mike Remboldt - Provider – HIT
 - Jon Larson - Provider – Enable
 - Eric Monson - Provider – Anne Carlson Center
 - Gordon Hauge - Provider – Easter Seals
 - Don Nelson - Provider – Alpha
 - Tim Huseh - Provider – HAV-IT
 - Sandi Marshall - Provider – Development Homes Incorporated

Activities To Date

- ▶ Johnston, Villegas-Grubbs and Associates LLC (JVGA-Potentia) was awarded the contract for the consultant and began work September 1, 2011.
 - Steering committee had three rate structures to consider for the new payment system:
 1. External – use rates from another state
 2. Budget driven – use existing budgets and convert them to a standard fee schedule
 3. Component-based – develop rates from the ground up
 - Steering committee decided to proceed with the component-based structure.
 - Consultant will be in Bismarck in June 2012 to give a status update of the entire project to the steering committee.

Activities To Date

- ▶ The Rushmore Group was awarded the contract for the Supports Intensity Scale Assessments and began work December 15, 2011. There was a delay in the contract starting as the first request for proposal issued received no responses.
- ▶ Staff from the Rushmore Group completed AAIDD certification training the week of March 19 – 23, 2012.
- ▶ Assessments for the pilot group (225) began March 22, 2012 and the majority were completed the first week of May 2012.

Activities To Date

- ▶ The Rushmore Group is now working on assessing the remaining 1890 consumers for this biennium. They expect to complete this work by June 30, 2013.
- ▶ Entered into a contract with American Association on Intellectual and Developmental Disabilities (AAIDD) on January 1, 2012 to utilize the Supports Intensity Scale (SIS).

Services Impacted

- ▶ Services included
 - Day supports
 - Congregate Care
 - Transitional Community Living Facility (TCLF)
 - Minimally Supervised Living Arrangement (MSLA)
 - Specialized Placement
 - Individualized Supported Living Arrangement (ISLA)
 - In-home supports
 - Family Care Option
 - Family Care Option III
 - Intermediate Care Facility for the Intellectually Disabled (ICF/ID)
 - Supported Living Arrangement (SLA)
 - Extended Services

- ▶ Potential Services
 - Adult Day Health
 - Adult Family Foster Care
 - Homemaker
 - Adult Family Foster Care Respite
 - Personal Care
 - Others as identified

Next Steps

- ▶ Continue work on the compilation of the rates (JVGA).
 - Resolve any outstanding issues and provide a final draft of the rates by August 1, 2012.
- ▶ Complete the budget impact analysis.
 - This will look at the overall impact against the current budget. Completion target is September 1, 2012.
- ▶ Complete the provider specific budget impact analysis.
 - This must interface with the SIS assessment. Completion target is November 30, 2012.

Upcoming meetings

- ▶ Steering committee
 - June 14, 2012 - Bank of ND, Leadership Hall (2nd floor conf rm), Bismarck
 - August 2, 2012
 - September 6, 2012
 - October 4, 2012
 - November 1, 2012
 - December 6, 2012
- ▶ Stakeholder
 - August 22, 2012

Questions

- ▶ If you have any questions please feel free to contact Tina Bay at tbay@nd.gov or 701-328-8966 or any of the steering committee members.