History

- HB 1517 2009 legislative session – mandated the Department to study the DD payment methodology.
- SB 2043 2011 legislative session – instructed the Department, in conjunction with DD providers, to develop a prospective or related payment system utilizing the Support Intensity Scale (SIS).
- New methodology implemented on April 1, 2018.
- April 2019, Department contracted with a vendor (Optumas) to complete a year end review of the new methodology.
February 2020, Optumas finalized year end review.

Key findings from their review:

- Medically fragile residential habilitation rates: increase the program support component to represent the hours of nursing relative to the hours of direct support professionals for each acuity tier.
- Absence factor: remove the 4% absence factor applied to every base residential rate and replace it with a 30-day personal assistance retainer policy.
- Vacancy factor: add a 2% vacancy factor to the residential and ICF rate to account for vacancy costs.
Key findings continued:

- Day Services, residential habilitation, ICF services:
  - System-wide changes in SIS scores.
  - The decrease in the unit cost for day service is likely the result of the conversion from an hourly rate to 15-minute increments.
  - Overall rate change necessary to mitigate ongoing SIS score growth.
Steering committee met and recommended a smaller subcommittee review the results of the Optumas work.

Three components to subcommittee work:
1. Multiplier (SIS changes)
2. Billable units in day services
3. Group/non group settings
Goal was to have subcommittee review completed by mid April and report to steering committee at the end of April and changes would go into effect July 2020.

Due to COVID pandemic, subcommittee work was put on hold.

Subcommittee reconvened June 2020. Finalized review and will present to steering committee in September.