



HUMAN SERVICES COMMITTEE - INTERIM
SENATOR LEE, CHAIRMAN

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DEVELOPMENTAL DISABILITIES REIMBURSEMENT PROJECT – WHY THE CHANGE?

Retrospective system (prior to 4/1/18)

- Did not tie the needs of the client to the funding
- Negotiated rate
- Audits/cost settlement

Prospective system (current)

- Level of staffing is based on the need of the client and follows the client
- Standard rate statewide
- No cost settlement

Timeline of Project

2009: Legislative session: HB 1517 directed the Department to contract to study the methodology and calculations for the rate setting structure.

- 2009/2010: Burns & Associates studied retrospective system and issued recommendations.

2011: Legislative session: SB 2043 directed the Department to work with DD providers to develop a prospective or related payment system with an independent rate model utilizing the Support Intensity Scale (SIS). Funding appropriated was enough to complete ½ of the work.

- 2011/2012: Steering committee created, consultants began development of component driven compensation structure and assessing clients.

2013: Legislative session: appropriations to complete the remaining work was provided.

- 2013/2014: Rates finalized, assessments continued, crosswalk developed, and universal budget impact completed.

2015/2017: NDACP requested delay of planned 7/1/15 implementation.

- Steering committee developed multiplier method to replace crosswalk, outliers process finalized, administrative rules, waiver and state plan amendments submitted.

2018: Implementation 4/1/18

2019: DHS contracted with Optumas to conduct a year end review

2021: Legislative session: DHS and steering committee identify \$6.95 million in reductions to rates for ICF and residential services. Final adjustment to accomplish budget neutrality.

- ICF rate adjusted for an overall reduction of 2.92% on 7/1/21
- Awaiting CMS guidance regarding adjustment to the Residential habilitation rate

Moving forward

- Role of steering committee
 - Continue examination of the role of assessments in the authorization of services.
 - Forum for discussion of trends and quality metric results.
 - Venue for members to offer feedback on various payment system models and approaches, focusing on how value can be integrated into the payment system.
 - Review and offer feedback regarding DHS recommendations, including comprehensive system reviews as scheduled.
 - Share information, needs and concerns to DHS related to compensation for DD services.