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.

**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.