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MEMORANDUM

Date: 9 August 2022
To: Human Services Interim Committee
From: Caprice Knapp, PhD
Subject: DHS Response to Alvarez and Marsal Study

This memorandum acts as the Department of Human Services' (DHS) initial response to the legislative study that was directed in Senate Bill 2256. DHS appreciates the opportunity to be involved in the study that was conducted by Alvarez and Marsal (A&M). Below are initial reactions to the study by slide number for your reference back to the A&M slide deck. DHS is supportive of many of the recommendations and the overall concept. The interim committee asked for a cost estimate of this transformation. DHS is unable to present that cost estimate at this time given that major decisions need to be made. When possible, within this document, decisions that impact costs are noted.

Finally, DHS wants to point out that all this work will be multi-biennial. A major transition such as this would mean that the current waivers would need to be adequately supported even while the new system is being developed and implemented. Shoring up the current waiver system by converting temporary case management staff to full time equivalents and reducing the current caseload for example are necessary conditions before this work can begin. This will require full time equivalents (FTE) to be approved in the 2023 session outside of a transition to a new proposed waiver.

A&M Recommendation and Slide #	**DHS Comments**
Slide 24 – 29: Modernizing the Home and Community Based Services Waiver System: The Proposed Future State	The Department supports the concept of modernizing the HCBS Waiver System. As noted in the A&M report, this can be accomplished through 1) changes to the Intellectual Disability/ Developmental Disability (ID/DD) waiver and 2) creating a cross-disability children's individual and family supports waiver. • Changes to the ID/DD waiver would include modernizing the statutory definition of Developmental Disability which would allow high-need and complex people with Intellectual

	Disabilities, Developmental Disabilities and/or Autism access to the ID/DD Waiver. A new level of care tool will need to be selected and services for the new target population will need to be developed. • The new cross disability children's individual and family supports waiver will address many of the issues regarding inequities between the current waivers. Policy decisions such as the ones highlighted by A&M will ultimately determine the appropriation needs for the new waiver. The Department would use a stakeholder engagement process early and often facilitated by a vendor, to work through such policy recommendations over the next biennium. This will be a large, multi-biennium undertaking and the Department will need the appropriate resources to do it well. This includes hiring one, and perhaps more, consultant(s) to guide the State through the process and at least 8-10 additional FTEs. As decisions are made on the case management model, more FTE are likely to be needed. Examples of additional activities that will need to be funded include actuarial, information technology (IT) and fiscal agent support, data analytics, restructuring of the case management system, and evaluation tools. For a new waiver there would need to be four phases: 1) planning and stakeholder input, 2) working with the Centers for Medicare and Medicaid Services (CMS) on the writing and approval process of the waivers and state law changes, 3) early implementation, and 4) evaluation of the new waiver and revisions as needed.

Slide 31: Person-Centered Planning and Case Management	The Department agrees in concept about the added value of using family navigators instead of traditional case managers for the proposed cross-disability waiver. However, we have several concerns, including some of the requirements associated with case management, workforce challenges, CMS approval, and factors to consider if navigators are not state employees. Further discussion is needed.
Slide 32: The Future of ND Waivers: Providing Integrated Support Across the Lifespan	The Department agrees that this slide represents an ideal future state. If the direction of the legislature is to pursue this ideal state, or another version of it, adequate resources and a realistic timeline will be needed for planning, implementation, and evaluation.
Slide 40: Building on the Strengths of the Current Autism Voucher Program	Most of the children who access the voucher are Medicaid members. In SFY22, only four children were not Medicaid members, and three of those had other health care coverage. If the voucher was limited to those who do not qualify for Medicaid/CHIP, it would serve a very limited population (in SFY22, 4 total children would have been served) unless the 200% FPL was raised to a much higher limit. If the voucher remains in place, DHS recommends having the child receive a Medicaid denial before applying for the voucher, since if they qualify for Medicaid, they may be eligible for other services such as 1915i. This would be consistent with the way DHS operates the SUD voucher. Other options to enroll children in Medicaid could be explored. Based on the data analysis showing 4 children who would qualify for the voucher, DHS is proposing to move as many children as possible off the autism voucher onto the autism waiver. DHS is proposing to sunset the autism voucher. As part of this change, we support the recommendations to add slots and services to the autism waiver including individual goods and services.
Slide 41: Autism Voucher Program Recommendations	Regarding A&M's long-term recommendation – DHS is aware of who is on the voucher but not qualified for Medicaid. There are fewer than five families per year that this situation applies to.

	These are families whose incomes are between 175-200% of FPL, because they do not qualify for Medicaid, but still meet the voucher financial criteria. Of the children enrolled in the voucher but not eligible for Medicaid, most have other health care coverage. In SFY23, there was one child enrolled in the autism voucher who may not have had health care coverage (we are unsure because this was left blank on the application form). There may be health care coverage options for this child through the Marketplace or children with disabilities (if the child meets the Social Security Administration's definition of disability).
Slide 43: Autism Spectrum Disorder Task Force (1 of 2)	We agree with the recommendation to create a cross-disability advisory council but would ask that an external, neutral party facilitate the committee and provide logistical support. Additional resources would be needed to support this. DHS recommends the autism task force be a subcommittee of that larger disability advisory council. As noted in the A&M report, DHS would recommend the autism subcommittee (and other subcommittees) meet when there is an identified reason. A larger disability advisory council could include clients and their families with broader disabilities resulting in more consistent and equitable decision making. DHS agrees that this new group should have equal, or even greater, numbers of clients as compared with providers and lobbyists. This shift would create a more person-centered focus and allow open communication across disability stakeholders.
Slide 48: Project Management	We agree that ongoing project management resources are necessary to support the system transformation and the ongoing implementation and efforts to continue to improve / evolve the system. DHS is building out department wide project management resources in the executive office. That office is being led by Sara Stolt.

Slide 50: Referral Folder	We agree that developing a referral folder, partnering with parent-to-parent groups for networking, etc. are positive recommendations but again we need the staff to be able to move forward with these system-wide procedural changes.
Slide 54: Cost of Assessments	DHS agrees that, if the legislature decides to fund the cost of assessments for families who are not Medicaid-eligible then DHS may be able to pursue administrative claiming of these costs. We concur that the expectation that families bear the cost of assessments creates a hardship for many seeking services.
Slide 57: Centralized Eligibility	The state agrees that centralizing eligibility determinations would have many benefits. The DD division had started working on this concept prior to SB 2256; however, we halted the work to ensure our intention was aligned with the study recommendations. We propose to move ahead with this work as a system improvement, regardless of decisions that are ultimately made in response to the study.
Slide 59: Level of Care (LOC) Assessment	The study recommends aligning eligibility and LOC assessment. Depending on the outcome of phase 1, this might not be necessary. DHS notes that that there will be some people that do not meet the LOC for the waiver. DHS will need a plan to ensure they do not lose the minimal supports they have now through case management.
Slide 106: "Technology First" as an element of workforce solution	We agree that investing in a "technology first" mindset needs to be an essential component of North Dakota's workforce strategy for long term services and supports and people with ID/DD. However, technology can only be part of a solution. Adequate resources are needed across all areas for this concept to come to fruition.