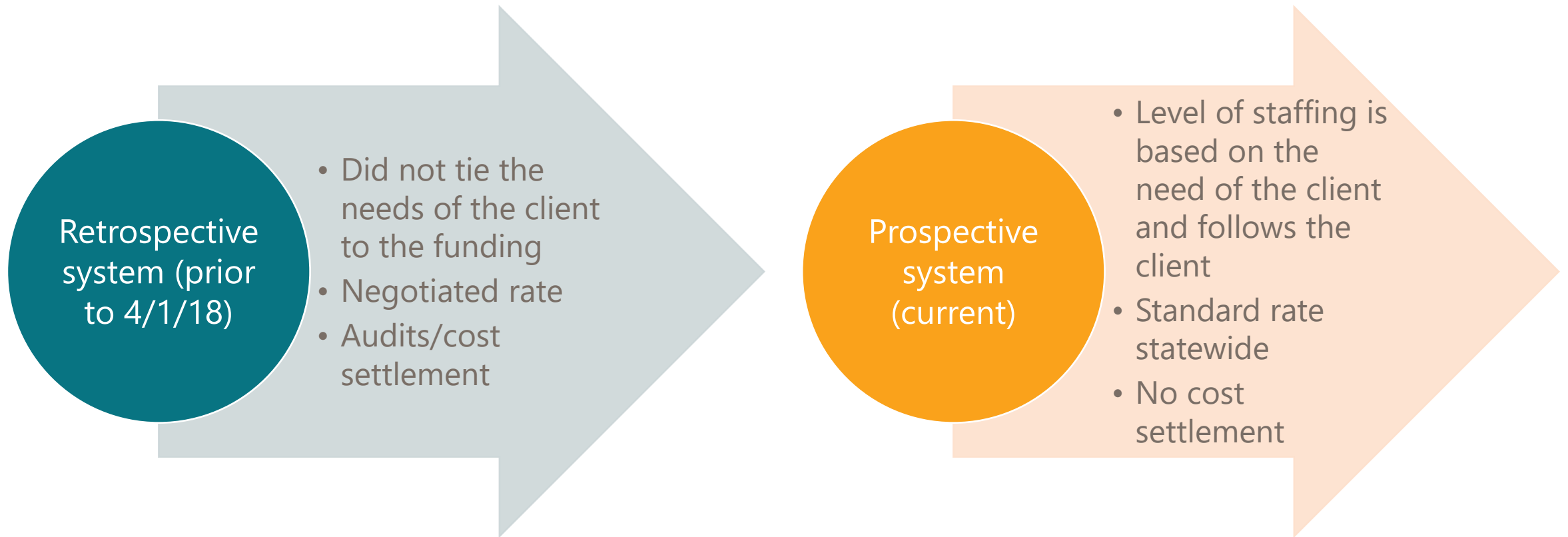




HOUSE APPROPRIATIONS, HUMAN
RESOURCE DIVISION
REPRESENTATIVE NELSON, CHAIRMAN
Tina Bay, Director Developmental Disabilities Division

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DEVELOPMENTAL DISABILITIES REIMBURSEMENT PROJECT – WHY CHANGE?



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.

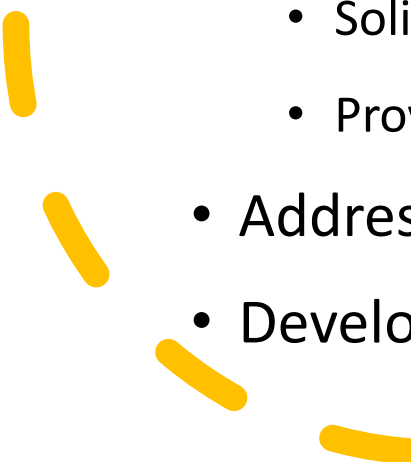
2018: Implementation 4/1/18

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



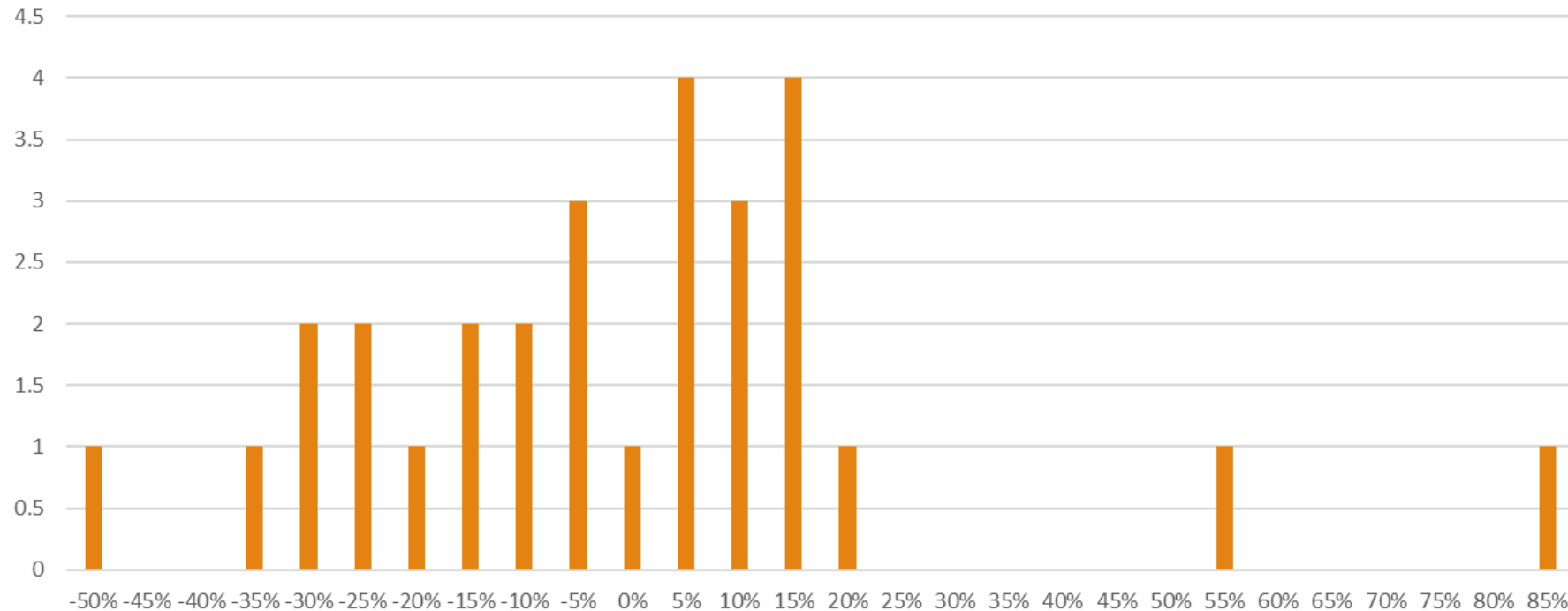
DEVELOPMENTAL DISABILITIES REIMBURSEMENT PROJECT

Scope of year-end review

- Review of current rate structure and methodology
 - Review appropriateness of assumptions
 - Use real data experience
 - Identify possible opportunities for fine-tuning methodology
 - Solicit stakeholder feedback
 - Provide recommendations to the Department
 - Address CMS feedback on vacancy and absence factors
 - Develop Medically Fragile Residential Habilitation rates
- 

Provider PMPM % Change Distribution - Day

Day Provider PMPM % Change Distribution
4/17-3/18 vs 4/18-3/19



- Rounded to nearest 5%
- Includes only providers with 12 months prior *and* post rate change utilization
- All Providers Combined: -7.7%

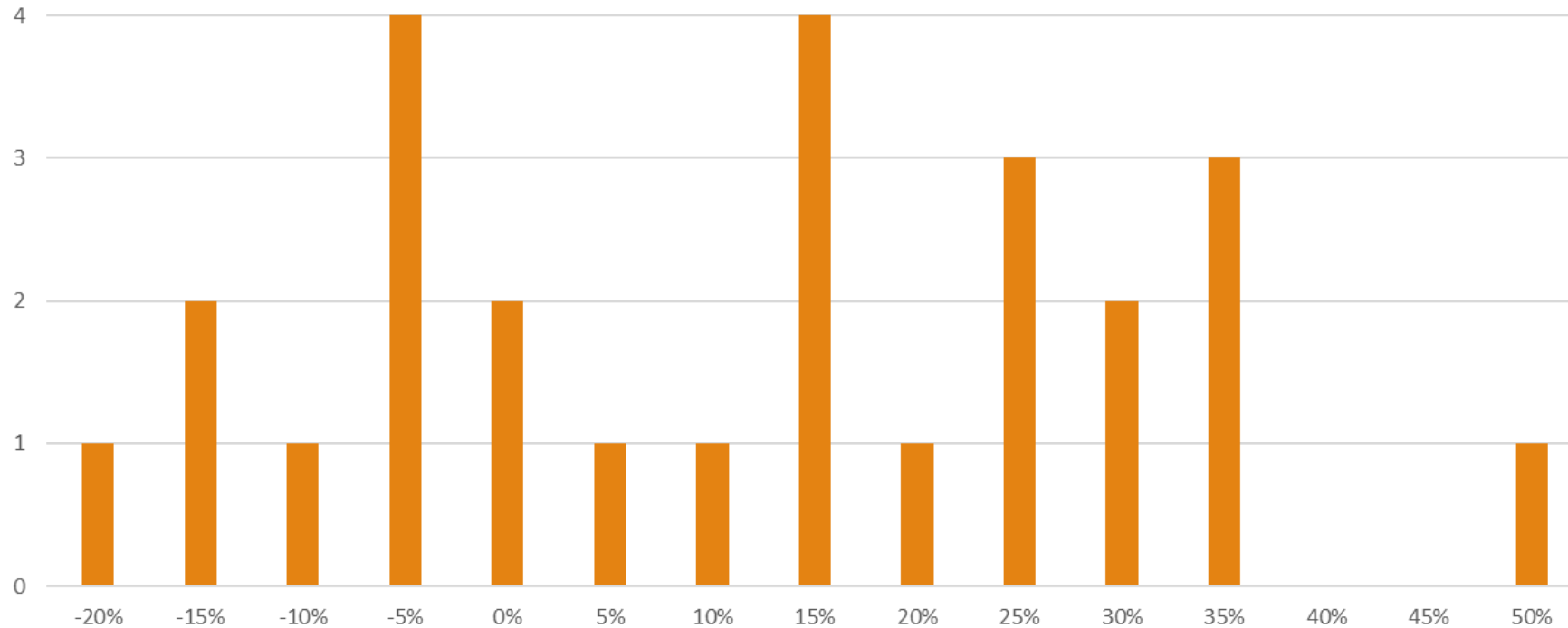
Appendices – Day Services

- Includes only providers with utilizing members and costs under both systems
- Provider identification does not carry over by each service

Provider	PMPM		
	Old	New	Impact
Provider 1	\$5,509	\$2,696	-51.1%
Provider 2	\$3,944	\$2,542	-35.6%
Provider 3	\$4,395	\$3,060	-30.4%
Provider 4	\$2,186	\$1,572	-28.1%
Provider 5	\$4,483	\$3,346	-25.4%
Provider 6	\$2,791	\$2,093	-25.0%
Provider 7	\$2,220	\$1,794	-19.2%
Provider 8	\$3,255	\$2,758	-15.3%
Provider 9	\$3,457	\$2,959	-14.4%
Provider 10	\$2,812	\$2,537	-9.8%
Provider 11	\$605	\$548	-9.5%
Provider 12	\$3,011	\$2,791	-7.3%
Provider 13	\$2,513	\$2,425	-3.5%
Provider 14	\$2,884	\$2,792	-3.2%
Provider 15	\$4,852	\$4,808	-0.9%
Provider 16	\$3,169	\$3,262	2.9%
Provider 17	\$2,094	\$2,182	4.2%
Provider 18	\$2,991	\$3,119	4.3%
Provider 19	\$1,472	\$1,569	6.6%
Provider 20	\$2,253	\$2,442	8.4%
Provider 21	\$2,869	\$3,115	8.6%
Provider 22	\$2,628	\$2,931	11.5%
Provider 23	\$1,727	\$1,960	13.4%
Provider 24	\$2,470	\$2,838	14.9%
Provider 25	\$2,677	\$3,088	15.3%
Provider 26	\$2,288	\$2,652	15.9%
Provider 27	\$2,613	\$3,098	18.6%
Provider 28	\$1,713	\$2,619	52.9%
Provider 29	\$2,391	\$4,366	82.6%
All Providers Combined	\$2,861	\$2,640	-7.7%

Provider PMPM % Change Distribution - Res

Residential Provider PMPM % Change Distribution
4/17-3/18 vs 4/18-3/19



- Rounded to nearest 5%
- Includes only providers with 12 months prior *and* post rate change utilization
- All Providers Combined: +7.5%

Appendices – Residential Services

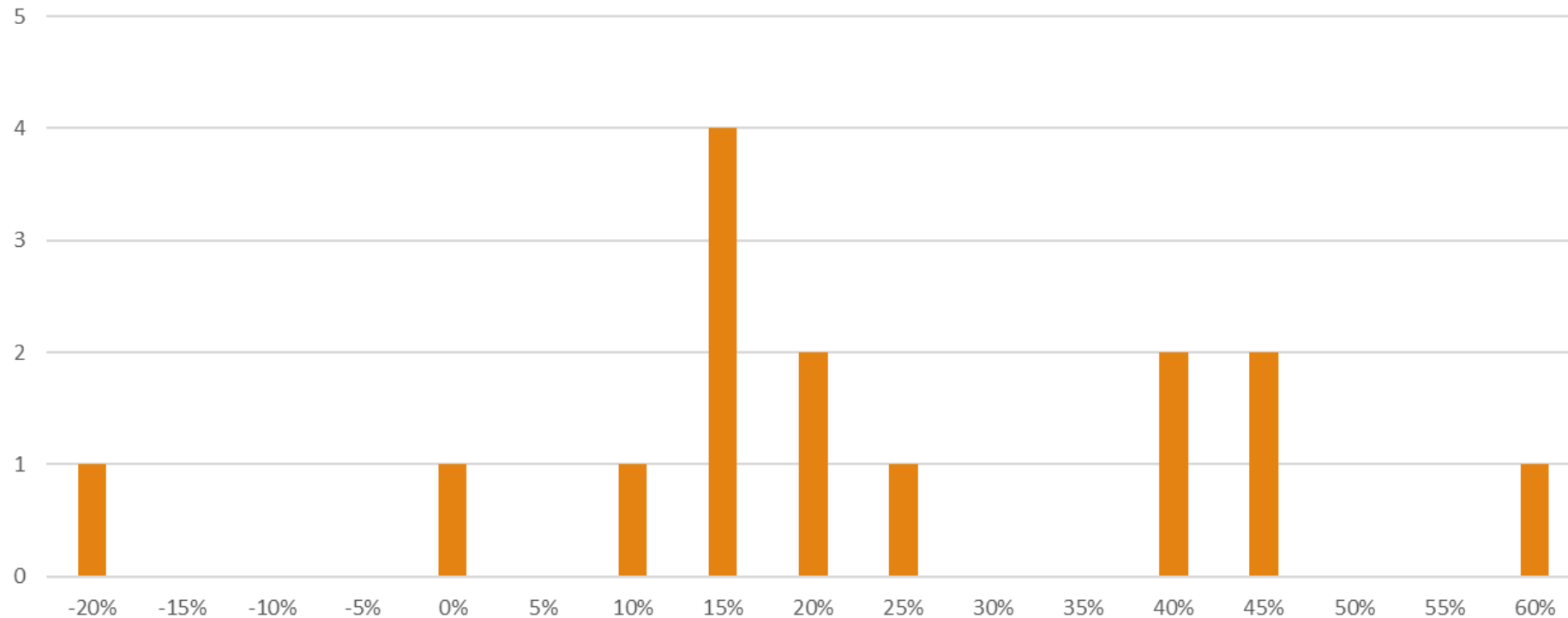
- Includes only providers with utilizing members and costs under both systems
- Provider identification does not carry over by each service



Provider	PMPM		
	Old	New	Impact
Provider 1	\$8,909	\$7,047	-20.9%
Provider 2	\$7,587	\$6,262	-17.5%
Provider 3	\$5,483	\$4,739	-13.6%
Provider 4	\$9,359	\$8,505	-9.1%
Provider 5	\$4,877	\$4,520	-7.3%
Provider 6	\$9,301	\$8,757	-5.8%
Provider 7	\$7,050	\$6,655	-5.6%
Provider 8	\$7,914	\$7,559	-4.5%
Provider 9	\$7,772	\$7,479	-3.8%
Provider 10	\$12,861	\$12,600	-2.0%
Provider 11	\$7,610	\$7,629	0.2%
Provider 12	\$6,522	\$6,841	4.9%
Provider 13	\$7,163	\$7,804	9.0%
Provider 14	\$6,787	\$7,669	13.0%
Provider 15	\$6,035	\$6,835	13.3%
Provider 16	\$5,329	\$6,084	14.2%
Provider 17	\$5,049	\$5,779	14.5%
Provider 18	\$4,885	\$5,941	21.6%
Provider 19	\$7,984	\$9,785	22.6%
Provider 20	\$5,385	\$6,610	22.8%
Provider 21	\$4,707	\$5,803	23.3%
Provider 22	\$6,101	\$7,883	29.2%
Provider 23	\$1,304	\$1,704	30.7%
Provider 24	\$3,264	\$4,354	33.4%
Provider 25	\$3,962	\$5,320	34.3%
Provider 26	\$5,697	\$7,792	36.8%
Provider 27	\$5,016	\$7,636	52.2%
All Providers Combined	\$6,169	\$6,629	7.5%

Provider PMPM % Change Distribution - ICF

ICF Provider PMPM % Change Distribution
4/17-3/18 vs 4/18-3/19



- Rounded to nearest 5%
- Includes only providers with 12 months prior *and* post rate change utilization
- All providers combined: +12.5%

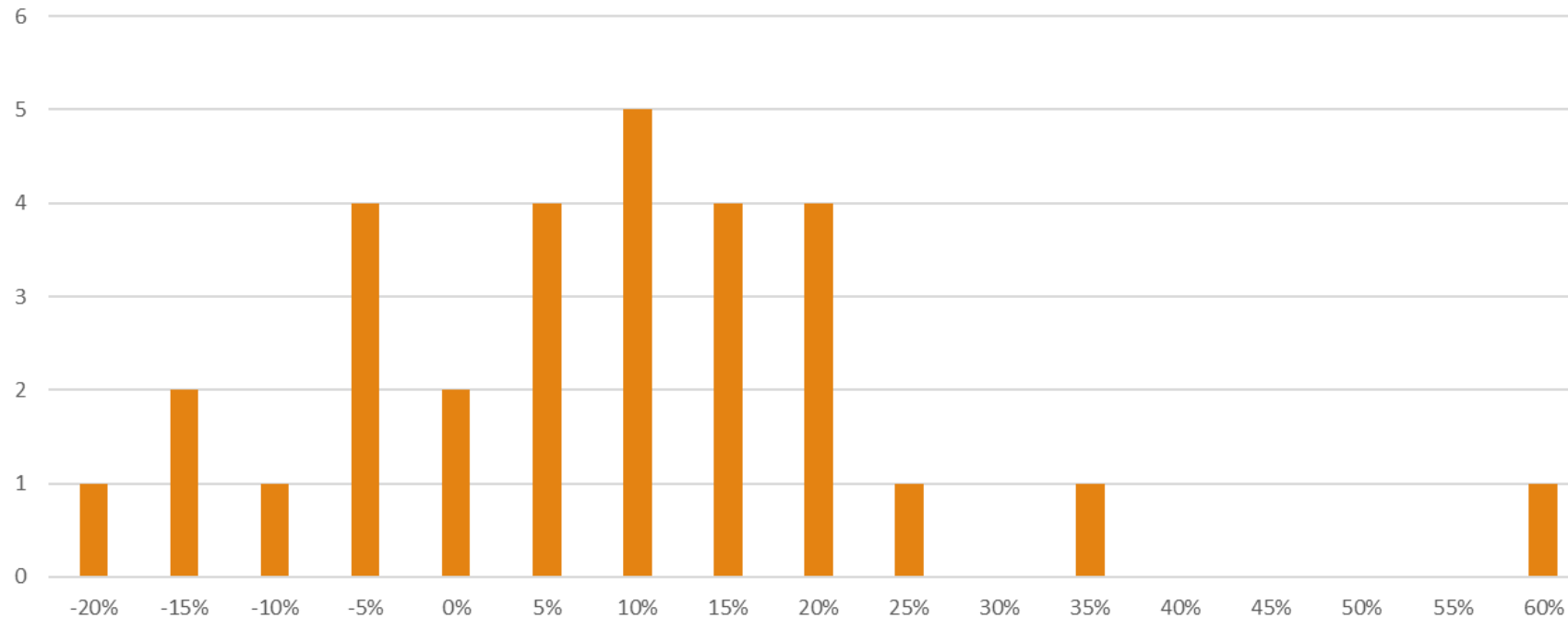
Appendices – ICF

Provider	PMPM		
	Old	New	Impact
Provider 1	\$27,157	\$21,270	-21.7%
Provider 2	\$17,091	\$17,258	1.0%
Provider 3	\$14,193	\$15,363	8.2%
Provider 4	\$12,561	\$14,441	15.0%
Provider 5	\$17,430	\$20,078	15.2%
Provider 6	\$16,781	\$19,376	15.5%
Provider 7	\$14,387	\$16,867	17.2%
Provider 8	\$11,149	\$13,141	17.9%
Provider 9	\$15,289	\$18,370	20.2%
Provider 10	\$14,815	\$18,454	24.6%
Provider 11	\$14,945	\$21,151	41.5%
Provider 12	\$12,092	\$17,220	42.4%
Provider 13	\$12,928	\$18,513	43.2%
Provider 14	\$10,373	\$14,875	43.4%
Provider 15	\$9,164	\$14,473	57.9%
All Providers Combined	\$15,657	\$17,608	12.5%

- Includes only providers with utilizing members and costs under both systems
- Provider identification does not carry over by each service

Provider PMPM % Change Distribution - All

All Provider PMPM % Change Distribution
4/17-3/18 vs 4/18-3/19



- Rounded to nearest 5%
- Includes only providers with 12 months prior *and* post rate change utilization
- All providers combined: +4.9%

Appendices – All Services Combined

- Includes only providers with utilizing members and costs under both systems
- Provider identification does not carry over by each service

Provider	PMPM		
	Old	New	Impact
Provider 1	\$14,583	\$11,428	-21.6%
Provider 2	\$12,806	\$10,679	-16.6%
Provider 3	\$5,483	\$4,739	-13.6%
Provider 4	\$11,371	\$10,511	-7.6%
Provider 5	\$7,279	\$6,937	-4.7%
Provider 6	\$4,727	\$4,541	-3.9%
Provider 7	\$8,417	\$8,138	-3.3%
Provider 8	\$2,884	\$2,792	-3.2%
Provider 9	\$10,122	\$10,038	-0.8%
Provider 10	\$5,025	\$4,990	-0.7%
Provider 11	\$3,169	\$3,262	2.9%
Provider 12	\$5,817	\$6,124	5.3%
Provider 13	\$720	\$763	6.1%
Provider 14	\$13,018	\$13,886	6.7%
Provider 15	\$6,170	\$6,751	9.4%
Provider 16	\$5,201	\$5,750	10.5%
Provider 17	\$8,825	\$9,832	11.4%
Provider 18	\$2,628	\$2,931	11.5%
Provider 19	\$6,945	\$7,799	12.3%
Provider 20	\$7,868	\$8,862	12.6%
Provider 21	\$4,013	\$4,524	12.7%
Provider 22	\$10,844	\$12,483	15.1%
Provider 23	\$5,623	\$6,584	17.1%
Provider 24	\$7,257	\$8,568	18.1%
Provider 25	\$8,230	\$9,968	21.1%
Provider 26	\$8,431	\$10,250	21.6%
Provider 27	\$8,028	\$9,821	22.3%
Provider 28	\$7,213	\$9,015	25.0%
Provider 29	\$7,877	\$10,683	35.6%
Provider 30	\$7,158	\$11,407	59.3%
All Providers Combined	\$8,613	\$9,039	4.9%

DEVELOPMENTAL DISABILITIES REIMBURSEMENT PROJECT

February 2020, Optumas finalized year end review

- Key findings :
 - 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.

DEVELOPMENTAL DISABILITIES REIMBURSEMENT PROJECT

- 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.

SUPPORTS INTENSITY SCALE (SIS) ADULT VERSION

The SIS is a standardized assessment tool that was designed to measure the pattern and intensity of supports that a person aged 16 years and older with intellectual and developmental disabilities requires to be successful in community settings.

Source: American Association on Intellectual and Developmental Disabilities (AAIDD) webpage: SIS Product Information
<https://www.aaidd.org/sis/product-information>

The SIS has three sections

1. Exceptional Medical & Behavioral Needs*
2. Support Needs Index
 - Home living activities*
 - Community living activities*
 - Lifelong learning activities
 - Employment activities*
 - Health and safety*
 - Social activities
3. Supplemental Protection and Advocacy Scale

* These sections are **used in the rate determination** for ND. Both the medical and behavioral sections are weighted higher than the other sections. A change of 1pt in either the medical or behavioral sections results in a change in approximately 10 hours/month.

SUPPORTS INTENSITY SCALE (SIS) ADULT VERSION

Administration

- The assessment is done through an interview with the individual and qualified responders (known the individual for at least 3 months).

Utilization of the SIS

- 19 states and 2 Canadian provinces use the SIS-A.
- Of those, 9 use the assessment to inform decisions over the reimbursement rate or the allocation of the support budget for clients.

North Dakota Supports Intensity Scale

North Dakota Assessments:

- Contract with an independent vendor to conduct the interviews.
- Assessors must have experience in the human services field, hold a 4-year degree and complete ongoing training.

During the timeframe of July 1, 2020 – January 15, 2021:

- 481 assessments were completed. Of those assessments
- 381 were reoccurring assessments.

A preliminary review of these assessments reflected the following:

Exceptional Medical:

- 1) 118 or 30.97% had no change in score.
- 2) 110 or 28.87 % had an increase in score.
 - a) 107 or 28.08% increased between 1 and 5 points;
 - b) 3 or 0.79% increased between 6 and 9 points; and
 - c) 0 increased by 10 or more points.
- 3) 153 or 40.16% had a decrease in score.
 - a) 147 or 38.58% decreased between 1 and 5 points;
 - b) 6 or 1.57% decreased between 6 and 9 points; and
 - c) 0 decreased by 10 or more points

Exceptional Behavioral:

- 1) 101 or 26.51% had no change in score.
- 2) 102 or 26.77 % had an increase in score:
 - a) 98 or 25.72% increased between 1 and 5 points;
 - b) 4 or 1.05% increased between 6 and 9 points; and
 - c) 0 increase by 10 or more points.
- 3) 178 or 46.72% had a decrease in score:
 - a) 144 or 37.08% decreased between 1 and 5 points;
 - b) 26 or 6.82% decreased between 6 and 9 points; and
 - c) 8 or 2.10% decreased 10 or more points.

Developmental Disabilities Reimbursement Project: Rate Matrix

State of North Dakota Rate Matrix Fully Loaded Hour Value: "The Brick"													Effective July 1, 2020		2% Vacancy	
Column Reference :	D	E	F	G	H	I	J	K	L	M	N					
Component Driven	Wage	ERE	DXE ERE \$	D + F Sub	Relief Staff	G x H Relief \$	G + I Sub	PS	D x K PS \$	J + L Sub	Gross * 10%	With V Factor	F %	At Funded %		
Residential Services																
ICF-ID	d	\$17.85	35.1%	\$6.27	\$24.12	14.0%	\$3.38	\$27.50	87.2%	\$15.57	\$43.07	\$47.85	\$48.83	92.4%	\$45.12	
ICF-ID Medically Involved	d	\$17.85	35.1%	\$6.27	\$24.12	14.0%	\$3.37	\$27.49	166.0%	\$29.63	\$57.12	\$63.47	\$64.77	92.4%	\$59.84	
ICF-ID Medically Intensive	d	\$17.85	35.1%	\$6.27	\$24.12	14.0%	\$3.37	\$27.49	244.0%	\$43.55	\$71.04	\$78.93	\$80.54	92.4%	\$74.42	
Residential Habilitation	d	\$17.93	35.1%	\$6.29	\$24.22	14.0%	\$3.39	\$27.61	39.6%	\$7.10	\$34.71	\$38.57	\$39.36	92.3%	\$36.33	
*Res Medical Acuity - Level 1	d	\$17.93	35.1%	\$6.29	\$24.22	14.0%	\$3.39	\$27.61	42.7%	\$7.66	\$35.27	\$39.19	\$39.99	92.3%	\$36.91	
*Res Medical Acuity - Level 2	d	\$17.93	35.1%	\$6.29	\$24.22	14.0%	\$3.39	\$27.61	64.7%	\$11.60	\$39.21	\$43.57	\$44.46	92.3%	\$41.04	
*Res Medical Acuity - Level 3	d	\$17.93	35.1%	\$6.29	\$24.22	14.0%	\$3.39	\$27.61	92.1%	\$16.51	\$44.12	\$49.03	\$50.03	92.3%	\$46.18	
Independent Habilitation	h	\$17.96	35.1%	\$6.30	\$24.26	14.0%	\$3.40	\$27.66	36.1%	\$6.48	\$34.14	\$37.94	\$37.94	100.0%	\$37.94	
Vocational/Day Services																
Day Habilitation	h	\$17.91	35.1%	\$6.29	\$24.20	14.0%	\$3.39	\$27.59	56.7%	\$10.15	\$37.74	\$41.93	\$41.93	100.0%	\$41.93	
Prevocational Services	h	\$17.91	35.1%	\$6.29	\$24.20	14.0%	\$3.39	\$27.59	56.7%	\$10.15	\$37.74	\$41.93	\$41.93	100.0%	\$41.93	
Small Group Employment Supports	h	\$17.91	35.1%	\$6.29	\$24.20	14.0%	\$3.39	\$27.59	56.7%	\$10.15	\$37.74	\$41.93	\$41.93	100.0%	\$41.93	
*Day/Voc Medical Acuity - Level 1	h	\$17.91	35.1%	\$6.29	\$24.20	14.0%	\$3.39	\$27.59	63.6%	\$11.39	\$38.98	\$43.31	\$43.31	100.0%	\$43.31	
*Day/Voc Medical Acuity - Level 2	h	\$17.91	35.1%	\$6.29	\$24.20	14.0%	\$3.39	\$27.59	69.4%	\$12.43	\$40.02	\$44.46	\$44.46	100.0%	\$44.46	
*Day/Voc Medical Acuity - Level 3	h	\$17.91	35.1%	\$6.29	\$24.20	14.0%	\$3.39	\$27.59	77.8%	\$13.93	\$41.52	\$46.13	\$46.13	100.0%	\$46.13	
Individual Employment Supports	h	\$23.82	35.1%	\$8.36	\$32.18	14.0%	\$4.51	\$36.69	23.1%	\$5.50	\$42.19	\$46.88	\$46.88	100.0%	\$46.88	

* Medical Acuity Tiers may be applied to individuals with a SIS Medical Score of 15 or higher and is available to a qualifying provider in Residential Habilitation, Day Habilitation, Prevocational Services, and Small Group Employment Supports only.

DEVELOPMENTAL DISABILITIES (DD) REIMBURSEMENT PROJECT

Next steps:

- The goal of the steering committee was to create a subcommittee to review the report and make recommendations to address the findings. This work was to be completed by mid April 2020 so changes would go into effect July 2020.
- Due to the COVID pandemic, initial subcommittee work was put on hold.
- Subcommittee reconvened and presented their findings to the steering committee in Oct 2020.
 - Rate adjustments - data confirms that assessment scores are higher than what we built our methodology on. Would like to see changes to the multiplier rather than across the board adjustments.
 - Consider having Optumas conduct another review to focus specifically on the SIS scores to see where adjustments could be made to the multiplier formula.
 - Day supports - adjust formula to account for the decrease in units.