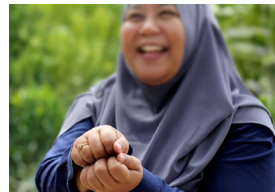


RATE ADJUSTMENT IMPLEMENTATION

November 9, 2021

November 10, 2021

November 15, 2021



Housekeeping



Interpretación en español: haga clic en el globo blanco en la parte inferior de la pantalla con la etiqueta "Interpretation." Luego haga clic en "Spanish" y seleccione "Mute original audio."



ASL interpreters have been "Spotlighted" and live closed captioning is active

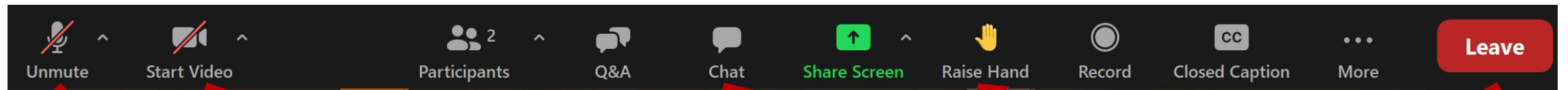


This meeting is being recorded



Materials are available at: <https://www.dds.ca.gov/initiatives/stakeholder-events/>

Zoom Tips



Unmute mic only when it's your turn to speak



Turn your webcam on/off

All attendees can type questions/comments in the Q&A

Chat is disabled for attendees

Attendees can raise their hand during the Q&A portion to ask a question live

Leave the webinar at the end of the meeting



- For attendees, your video and microphone will not be available
- You will only see/hear DDS staff and presenters on screen

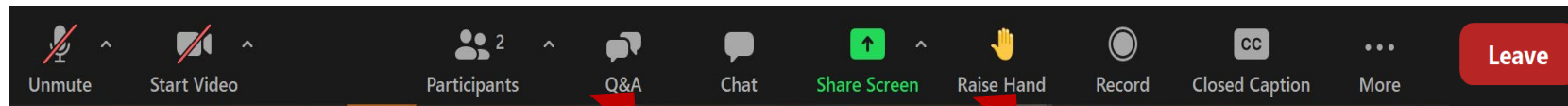


- Features will vary based on the version of Zoom and device you are using
- Some Zoom features are not available for telephone-only participants

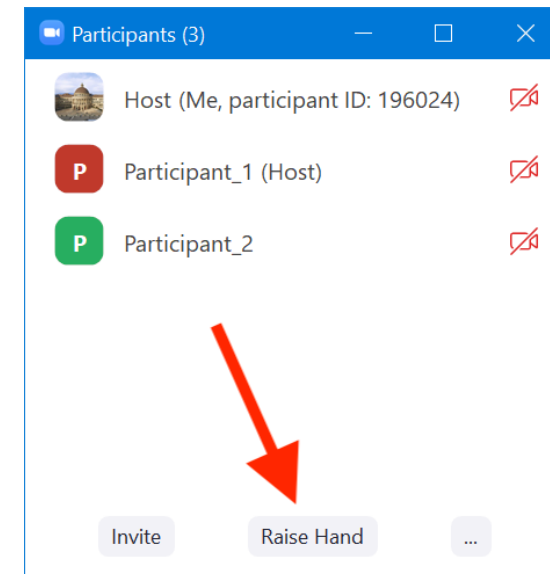
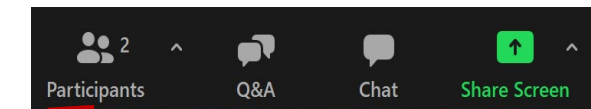
Providing Comments

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During the Q&A portion of this meeting we will take live questions – please use “Raise Hand” to comment



You may need to click on “Participants” and a new window will open where you can “Raise Hand”



Questions not answered live will be used for an FAQ document on rate adjustment implementation

AGENDA

Welcome

Background & Timeline

Health Management Associates - Burns Introduction

Process

- Data
- Compilation

Q & A

Next Steps

BACKGROUND & TIMELINE

VENDOR RATE STUDY

- Comprehensive study of vendor payment rates (ABX 2-1)
- Proposed standardized rates (based on detailed rate models) within each Regional Center for most services
- Generally proposed significant increases to payment rates for most vendors
- Given the significant variability in existing negotiated rates, impact varies by vendor and some have rates that exceed the applicable proposed rate
- Rate study included recommendations to simplify and standardize services (including consolidation of service codes)
- For services without regulations, the rate study included the expectations on which the rate models are based

AB 136 RATE REFORM

- Enhanced person-centered, outcomes-based system
- Quality incentive program
- Phased implementation of rate models

AB 136 RATE ADJUSTMENT TIMELINE

April 1, 2022

- 25 percent of difference between March 31, 2022 rate and applicable rate model

July 1, 2023

- 50 percent of difference between March 31, 2022 rate and applicable rate model

July 1, 2025

- Full implementation of rate models with two payment components
 - Base rate equaling 90 percent of the rate model
 - Quality incentive program component of up to 10 percent of the rate model

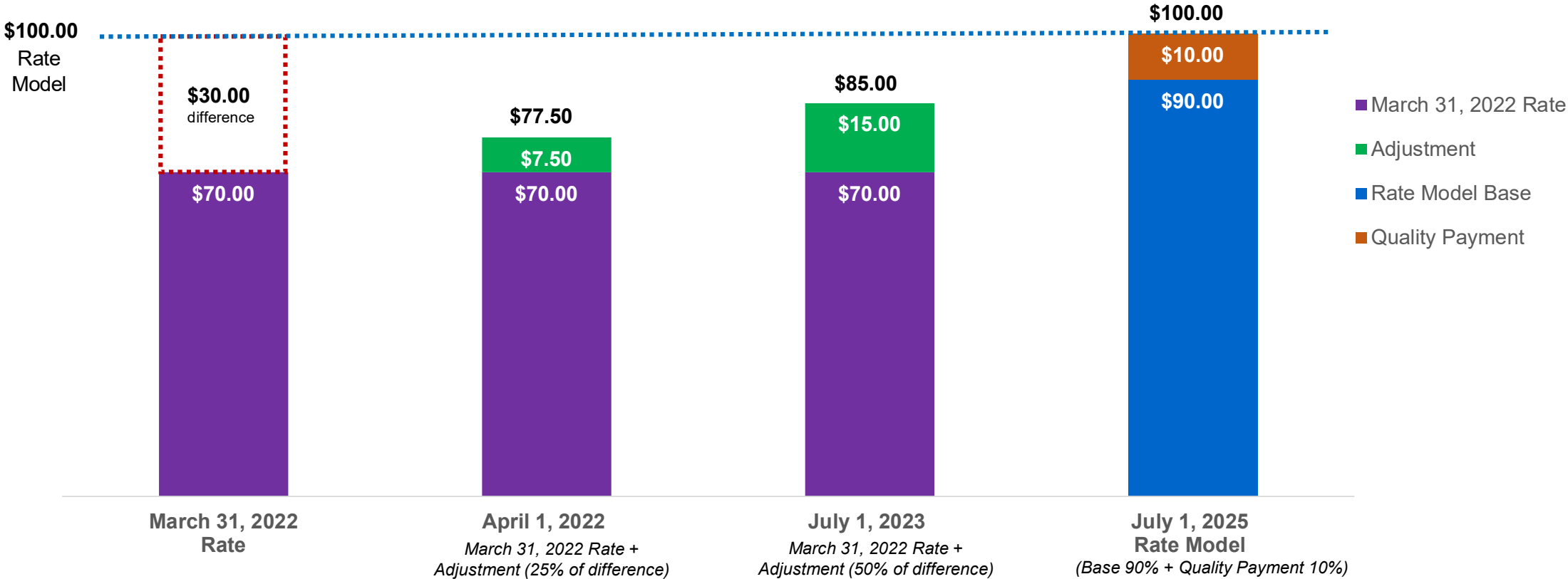
PAYMENTS IN ADDITION TO RATE ADJUSTMENTS



UPDATED RATE MODELS

- Rate models established in March 2019 based on data available at that time, including a \$13 per hour minimum wage
- Rate models will be updated before rate adjustment calculations, to include
 - \$15 per hour minimum wage assumption
 - Updated wage inflation estimate
 - Updated health benefits cost
 - Review of workers' compensation cost
 - Updated IRS mileage rate

RATE ADJUSTMENT EXAMPLE



FOR THE APRIL 2022 RATE ADJUSTMENT



No changes in service code or program design

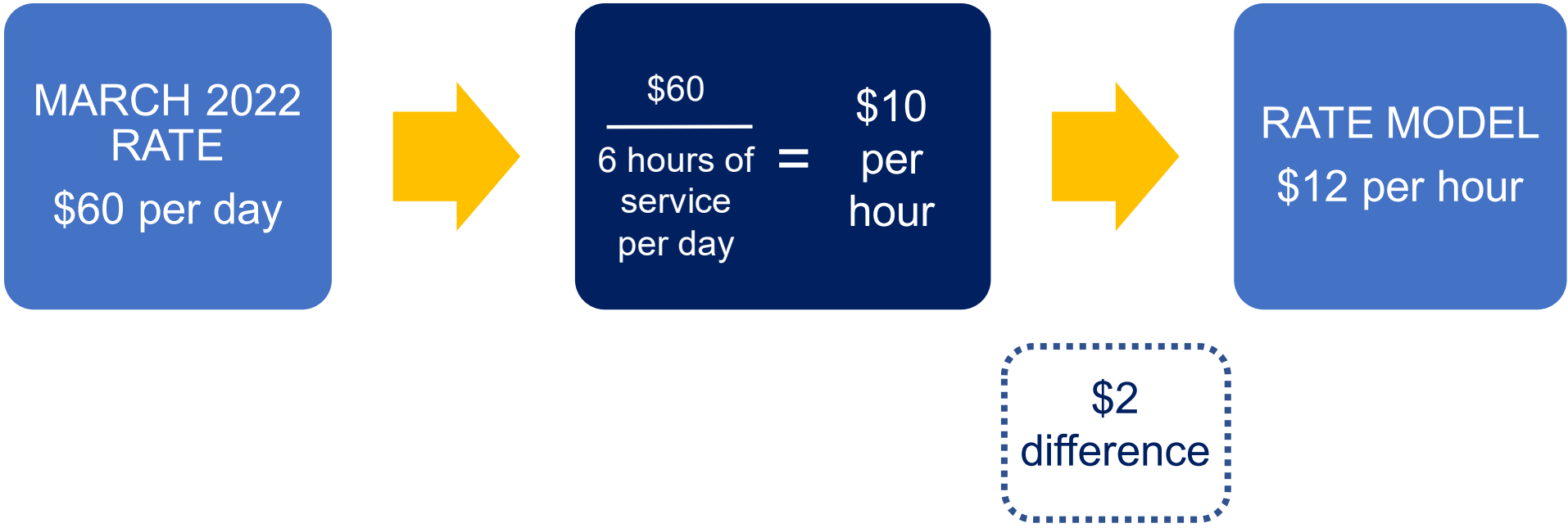


No changes to billing units (hours, days, etc.)



No rates will be reduced

DAILY RATE CONVERSION EXAMPLE



DAILY RATE CONVERSION EXAMPLE *(continued)*



SERVICES THAT ARE NOT A PART OF THE RATE STUDY

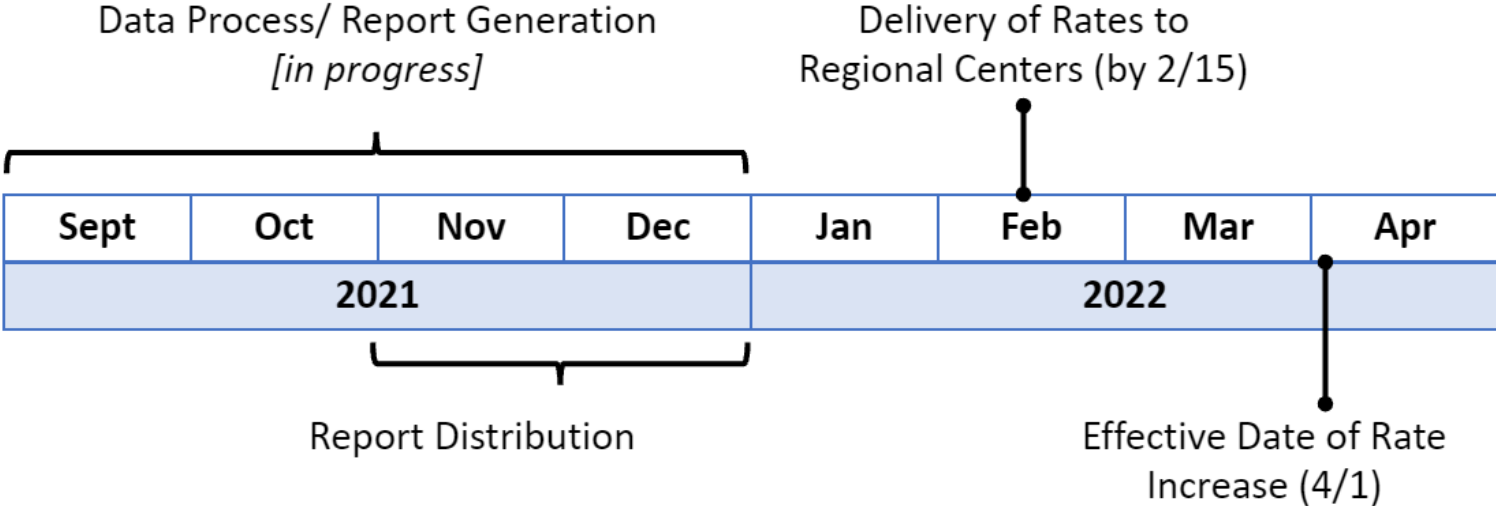
Certain specialized programs and services, typically identified by subcode*

- Senior Program
- Tailored Day Service
- Specialized Training/Medical Services
- Paid Internship Program Payments
- Placement Incentive Payments
- Health Insurance Copays & Deductibles
- Independent Assessment Services (ILS/SLS)

*Examples only, not a comprehensive list

Alternative Nonresidential Services

DATA SHARING TIMELINE



UPDATED PRELIMINARY SERVICE CODE BATCHES

Group 1

025 - Tutor Services	520 - Independent Living Program
062 - Personal Assistance	645 - Mobility Training Services Agency
073 - Parent Coordinator Supported Living Prog	650 - Mobility Training Services Specialist
091 - In-Home/Mobile Day Program	680 - Tutor
093 - Parent-Coordinated Personal Assist Service	950 - Supported Employment-Group
109 - Program Support Group-Residential	952 - Supported Employment-Individual
110 - Program Support Group-Day Service	954 - Rehab Work Activity Program
111 - Program Support Group-Other Services	

Group 2

055 - Community Integration Training Program	896 - Supported Living Services
063 - Community Activities Support Services	904 - Family Home Agency
505 - Activity Center	905 - Residential Facility Serving Adults-Owner Operated
510 - Adult Development Center	910 - Residential Facility Serving Children-Owner Operated
515 - Behavior Management Program Behavior Management	915 - Residential Facility Serving Adults-Staff Operated
525 - Social Recreation Program	920 - Residential Facility Serving Children-Staff Operated
894 - Supported Living Service Vendor Administration	

UPDATED PRELIMINARY SERVICE CODE BATCHES (CONT.)

Group 3

108 - Parenting Support Services	860 - Homemaker Services
113 - DSS Licensed-Spec Residential Facility	862 - In-Home Respite Services
115 - Specialized Therapeutic Services (Consumers 3 to 20)	864 - In-Home Respite Worker
116 - Early Start Specialized Therapeutic Services	875 - Transportation Company
117 - Specialized Therapeutic Services - (Consumers 21 and Older)	880 - Transportation-Additional Component
605 - Adaptive Skills Trainer	882 - Transportation-Assistant
805 - Infant Development Program	883 - Transportation-Broker

Group 4

048 - Client/Parent Support Behavior Intervention Trng	616 - Behavior Technician-Paraprofessional
420 - Voucher Respite	620 - Behavior Management Consultant
465 - Participant-Directed Respite Services	635 - Independent Living Specialist
475 - Participant-Directed Community-Based Training Svcs./ Adults	900 - Enhanced Behavioral Supports Home Facility Component
612 - Behavior Analyst	901 - Enhanced Behavioral Supports Home
613 - Associate Behavior Analyst	902 - Community Crisis Home Facility Component
615 - Behavior Management Assistant	903 - Community Crisis Home

OUTSTANDING ITEMS

How rates for new vendorizations will be set

How incentive payments will be considered in future rate adjustments

Timing of change in unit types

Defining programmatic requirements, including staff qualifications

How hold harmless provisions will work

INTRODUCTIONS

- Known as HMA-Burns
- Conducted the vendor rate study delivered in March 2019
- Performed detailed analysis of current rates and purchase of service data to develop Alternative Nonresidential Services rates
- Assisting DDS in rate model implementation authorized by AB 136

BURNS & ASSOCIATES
A DIVISION OF
HEALTH MANAGEMENT ASSOCIATES

DATA USED IN THE DETERMINATION OF RATE INCREASES

- Rates files for all vendorizations and subcodes
 - Separate files for Department-set rates and negotiated rates
 - Files combined to establish a complete listing of current unique rates based on Regional Center, service, subcode, and vendor number
- Purchase of service (POS) data ending June 30, 2021
 - POS data is being processed using the same methodology as utilized for the non-residential alternative service delivery rate calculations
 - Used to identify potential missing rates and large discrepancies compared to the rates files

PROCESSING

For many services, additional information is needed before rate increases can be calculated

For each service code, a series of reports will be developed

- Ensure all current rates have been accurately identified
- Identify the appropriate rate model for determining the rate increase (e.g., for services where rate models vary by staffing ratio, need to know the current staffing ratio for each vendorization)
- HMA-Burns will produce detailed documentation of methodology for each report

Regional Centers will be asked to review the reports to identify erroneous conclusions and/or report information needed to determine appropriate rate model

PROCESSING (CONT.)

Missing Rates Report

- Rates (by Regional Center, Service, Subcode, and Vendor) that appear in the POS data but do not appear in the rates files

Mismatched Rates Report

- Effective rates in the POS data that differ markedly ($\pm 10\%$) from the amount appearing in the rates files

Rate Unbundling Report (see following slides)

Service Detail Collection Form (see following slides)

PROCESSING – RATE UNBUNDLING REPORT

- Instances of multiple payments being made for the same service (e.g., base service rate with administrative costs billed using separate subcodes)
- POS data used to identify when a vendor bills multiple subcodes for an individual member(s)
 - Identified combinations will be further reviewed to determine
 - 1) if the utilization occurs simultaneously in one or more months and
 - 2) if the subcode with the lower rate is less than 20 percent of the sub-code with the higher rate
 - If both criteria are met, the subcodes are presumed to be unbundled activities that are part of the same service

PROCESSING – RATE UNBUNDLING REPORT (CONT.)

- The identification of unbundled activities is intended to ensure equity between vendors
- Intent is that the cost of the unbundled rate (Admin in this example) will be added (bundled) to the service rate so a 'true' total rate can be calculated

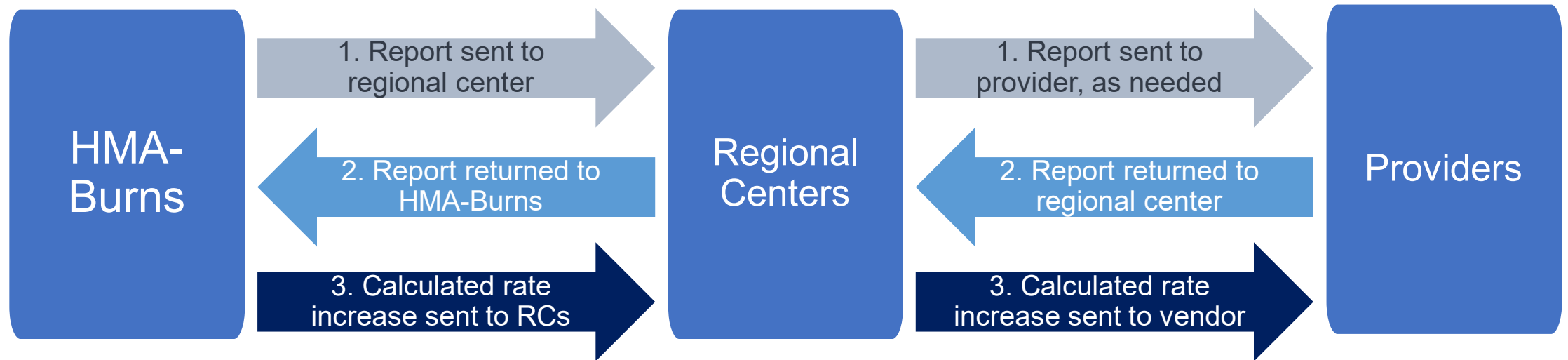
	Service Rate	Admin Subcode	Current Totals	Rate Model	Service w/ 25%	New Total
Vendor A	\$30.00	\$0.00	\$30.00	\$40.00	\$32.50	\$32.50
Vendor B	\$28.00	\$2.00	\$30.00	\$40.00	\$31.00	\$33.00

- In this example both vendors start with the same effective rate, but Vendor B receives a larger rate if the unbundled amount billed under the Admin subcode is not considered

PROCESSING – SERVICE COLLECTION DATA FORM

- Form to be used to report information needed to determine appropriate rate model for calculating the rate increase for a given vendorization
- Example of information needed to determine rate increase for a day program (since the rate models vary based on these factors)
 - Whether program meets criteria for specialized medical or behavioral
 - Staffing ratio
 - Service setting (proportion of time in center and in community)
 - For non-hourly unit types, number of hours of service being provided
 - For example, services billed using a daily unit will require average number of hours per day to determine an effective hourly rate for comparison to the rate model to allow calculation of the percentage rate increase to be applied to the rate
- Forms will feature detailed instructions and definitions to guide responses

DATA SHARING – PROCESS FLOW



- Intent is to send in four batches of service codes to allow Regional Centers to review and provide feedback in a staggered fashion
- Information will be shared via a ‘secure-share’ site similar to the process used for sharing non-residential alternative service delivery rates

Q & A

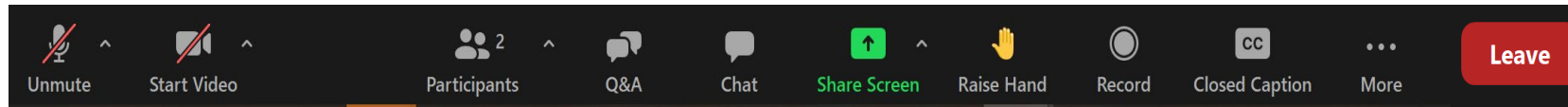
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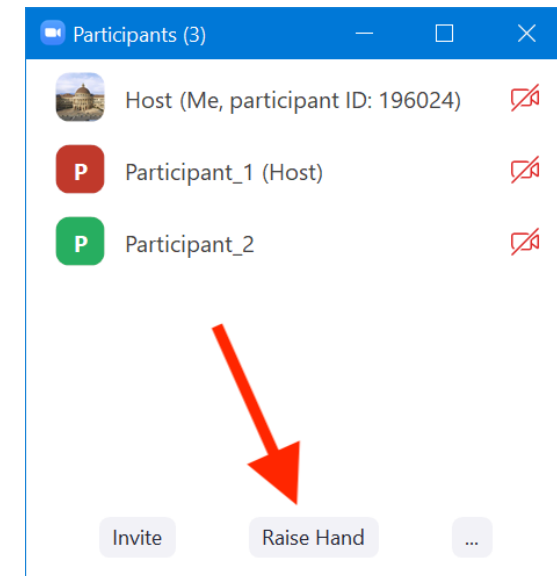
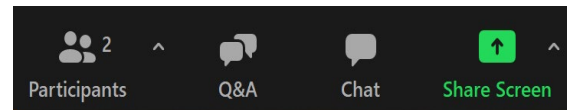
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NEXT STEPS
