

RATE ADJUSTMENT IMPLEMENTATION: TRANSPORTATION PROVIDERS

February 4, 2022



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:

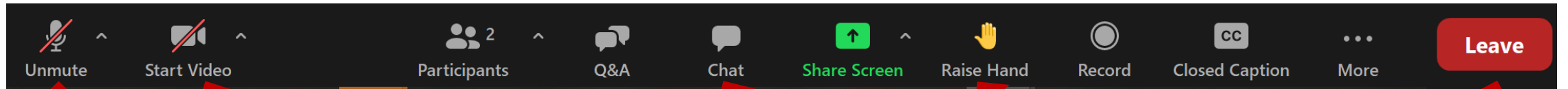
<https://www.dds.ca.gov/initiatives/stakeholder-events/>



Answers to frequently asked questions are available at:

<https://www.dds.ca.gov/rc/vendor-provider/rate-study-implementation/rate-model-implementation-frequently-asked-questions/>

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

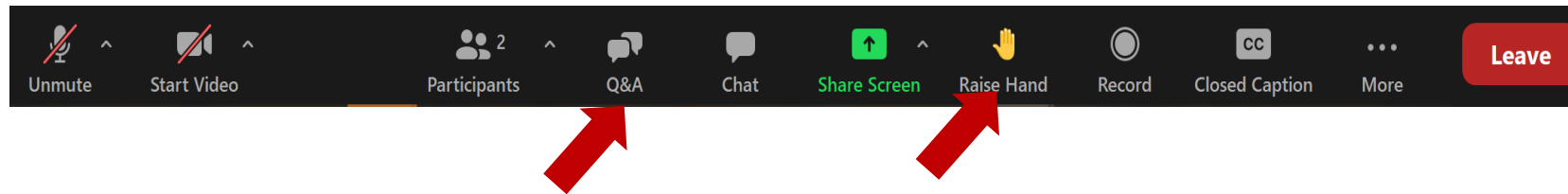
- For attendees, your video and microphone will not be available
- You will only see/hear DDS staff and presenters on screen



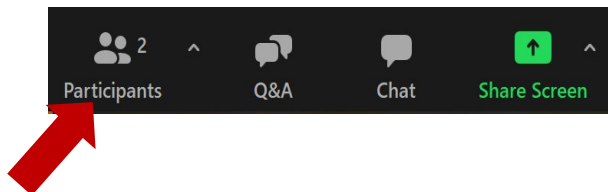
- Features will vary based on the version of Zoom and device you are using
- Some Zoom features are not available for telephone-only participants

Providing Comments

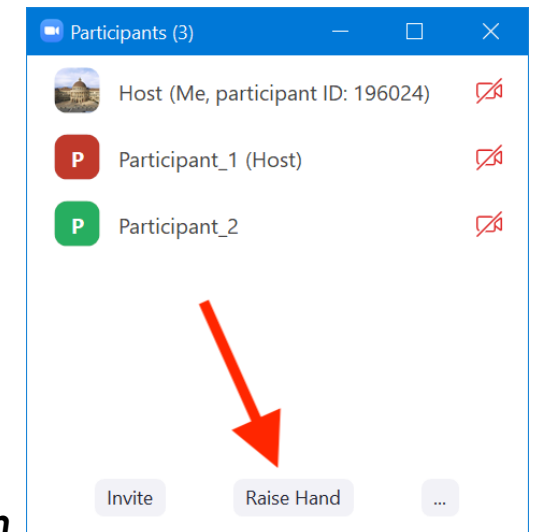
Please use “Q&A” for your questions and comments; if you prefer, you may send your questions/comments to ratesquestions@dds.ca.gov



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**

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
- Given the significant variability in existing negotiated rates, fiscal 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)
- Goal to make service codes more reflective of the level and types of services provided
- 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

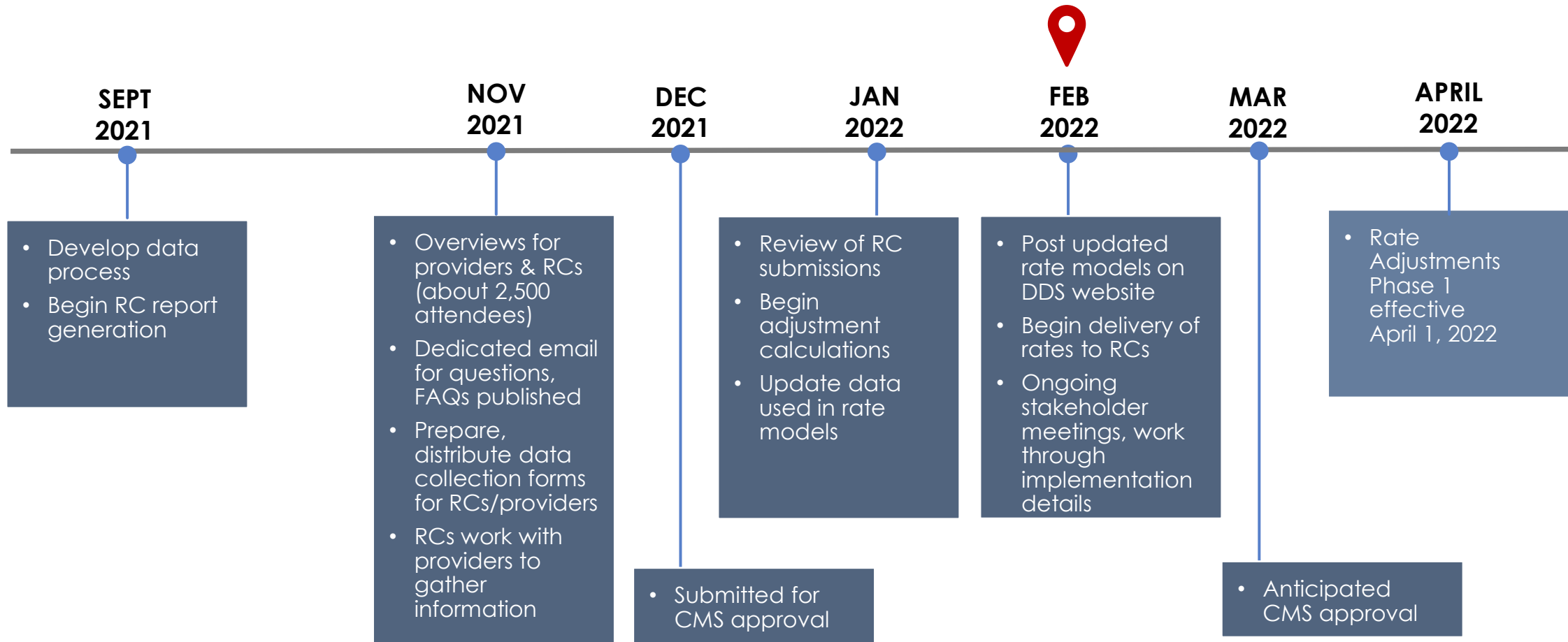
July 1, 2023

- 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

APRIL 2022 RATE ADJUSTMENT



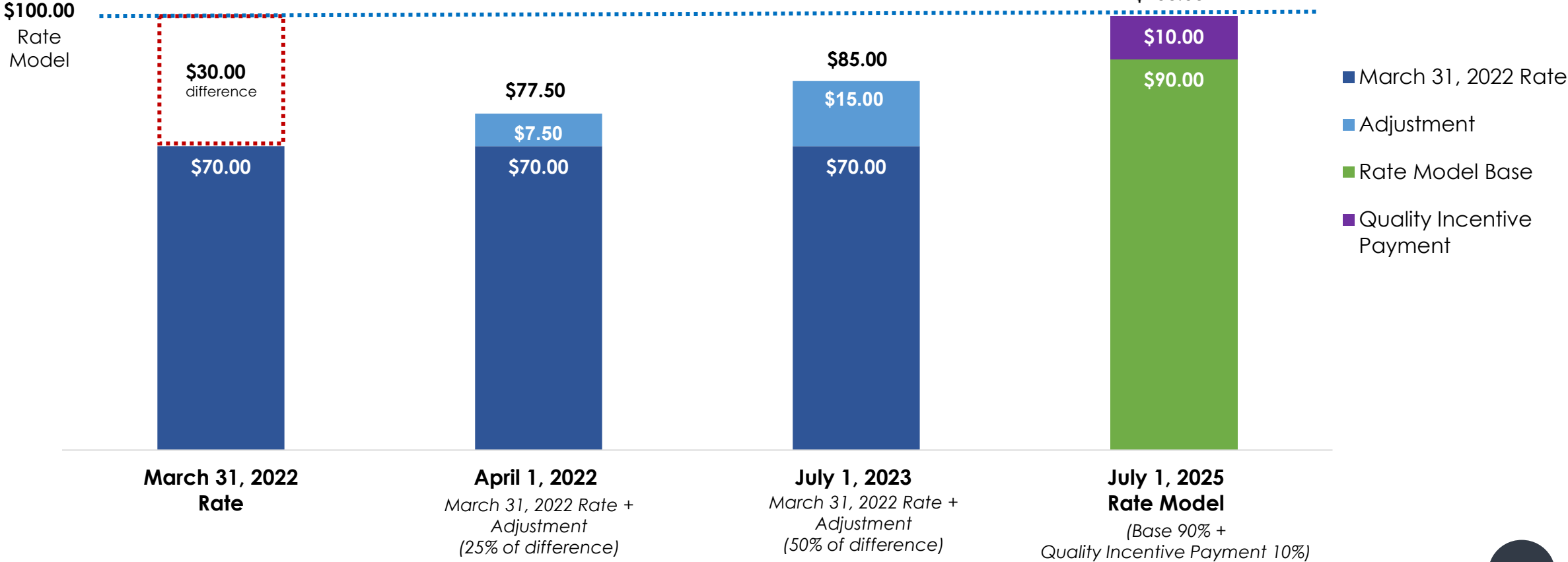
RATE ADJUSTMENTS EXAMPLE



July 1, 2022

June 30, 2025

Quality Incentive Payments are additive to provider rates



PROCESS FOR DETERMINING BENCHMARK RATES FOR TRANSPORTATION

- 
- Collect data to align with the rate models to establish a per trip rate

- 
- Regional centers received a service detail collection form for each provider; regional centers are working with their providers to complete the forms

- 
- Instructions for completion are located [here](#)

APRIL 2022 RATE ADJUSTMENTS

No changes to billing/authorizations required in April 2022

- If a provider has hourly, daily, monthly, route, trip, or mileage rates, regional centers can continue to use those units
- July 2025 goal to standardize through shared definitions of service & staffing qualifications

Current rates will be compared to benchmark rate models to calculate rate adjustment

- Need information to determine the effective trip rate for reimbursements that are now hourly, daily, monthly, route-based, or and mileage rates, to determine the rate adjustment

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

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

BACKGROUND SPECIFIC TO TRANSPORTATION SERVICES

- Significant variability in Transportation (875/880) reimbursement practices across regional centers and vendors – hourly, daily, monthly, route, trip, and mileage rates
- Rate study proposed per trip rates for Transportation services
 - For the purposes of the rate study, a trip is one-way transport of one individual
 - If four individuals are transported from their home to their day program and then back home at the end of the day, that would be eight trips
 - Four individuals each received two one-way trips
- Although current rates do not need to be converted to trip rates in April, a current effective per-trip rate is required to calculate the appropriate rate increase

PROCESS

- Service detail collection form requests information to determine effective trip rate
 - For hourly and mileage rates, the form asks for the number of units (e.g., miles) per trip
 - For other unit types, the form asks for the number of trips per unit (e.g., trips per month)
- Forms were distributed to Regional Centers in December
 - Regional Centers are working with vendors to complete the forms
- Instructions to complete the forms can be found on the [DDS website](#)

EXAMPLE – MILEAGE RATE OF \$2.44

- Determine the average length of a trip (in miles) & report in Column K: Average Units per Trip
 - If the rate is billed on a per-person basis (that is, a claim is submitted for each individual served at the full mileage rate), report the average number of miles billed for an individual for a one-way trip
 - That is, if an individual typically receives round trip transportation each day and the provider bills 16 miles for that individual, 8 miles per trip would be reported
- The effective per-trip rate is \$19.52 ($\2.44×8 miles per trip)
- HMA-Burns will compare to benchmark rate to determine April 2022 rate adjustment

EXAMPLE – HOURLY RATE OF \$28.68

- Determine the average length of a trip (in hours) and report in Column K: Average Units per Trip
 - If the rate is billed on a per-person basis (that is, a claim is submitted for each individual served at the full hourly rate), report the average number of hours billed for an individual for a one-way trip
 - That is, if an individual typically receives round trip transportation each day and the provider bills 1.5 hours, 0.75 hours per trip would be reported
- The effective per-trip rate is \$21.51 ($\28.68×0.75 hours per trip)
- HMA-Burns will compare to benchmark rate to determine April 2022 rate adjustment

EXAMPLE – MONTHLY INDIVIDUAL RATE OF \$526.32

- Determine the typical number of one-way trips provided per month per claim and report in Column L: Average Trips per Unit
 - If the rate is billed on a per-person basis, report the number of one-way trips per month, for example 34 one-way trips
- The effective per-trip rate is \$15.48 ($\$526.32 / 34$ one-way trips)
- HMA-Burns will compare to benchmark rate to determine April 2022 rate adjustment

EXAMPLE – MONTHLY CONTRACT RATE OF \$3,368.02

- Determine the typical number of one-way trips provided per month for all individuals served under the contract rate and report in Column L: Average Trips per Unit

Person	Round Trips	One-Way Trips
1	22	44
2	19.5 (e.g., one day the individual had alternative transportation home)	39
3	22.5 (e.g., one day the individual had alternative transportation home)	45
4	15	30
5	21	42
Total		200

- The effective per-trip rate is \$16.84 ($\$3,368.02 / 200$ one-way trips)
- HMA-Burns will compare to benchmark rate to determine April 2022 rate adjustment

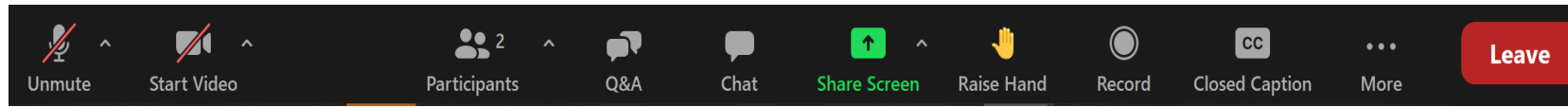
EXAMPLE – DAILY INDIVIDUAL RATE OF \$30.98

- Determine the typical number of one-way trips provided per day per claim and report in Column L: Average Trips per Unit
 - If the rate is billed on a per-person basis, report the number of one-way trips per claim
 - That is, if an individual typically receives round trip transportation each day, 2 one-way trips would be reported
- The effective per-trip rate is \$15.49 ($\$30.98 / 2$ one-way trips)
- HMA-Burns will compare to benchmark rate to determine April 2022 rate adjustment

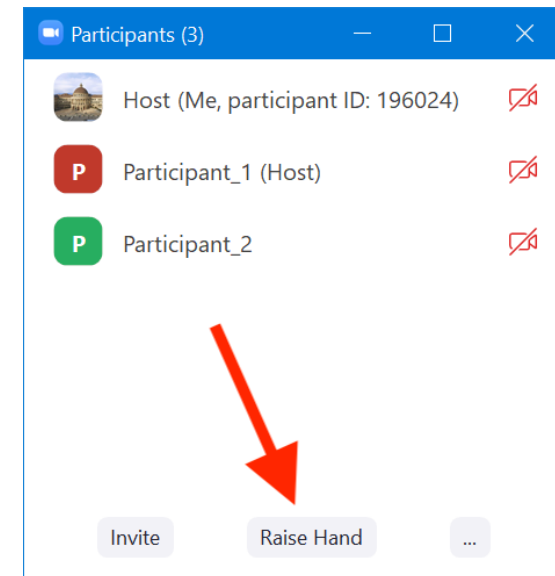
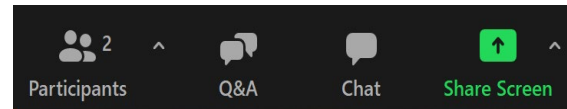
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Q & A

Dedicated email: ratesquestions@dds.ca.gov

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NEXT STEPS
