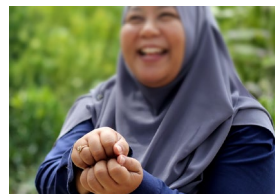


RATE ADJUSTMENT IMPLEMENTATION: SUPPORTED LIVING PROVIDERS

February 14, 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

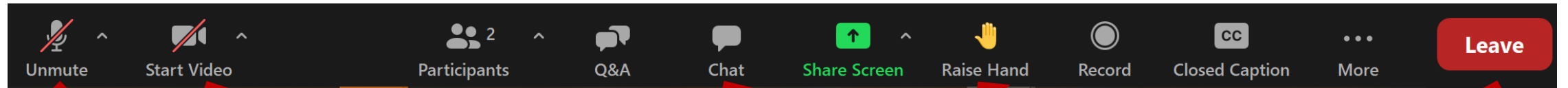


Materials are available at: [Rate Study Implementation - CA Department of Developmental Services](#)



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



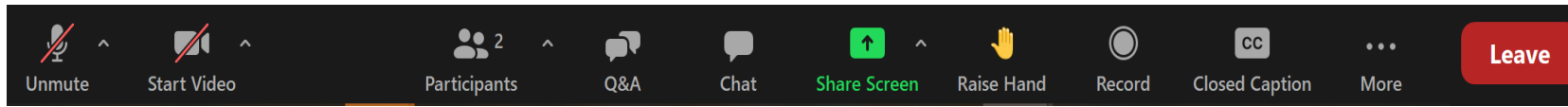
- For attendees, your video and microphone will not be available
- You will only see/hear DDS staff and presenters on screen



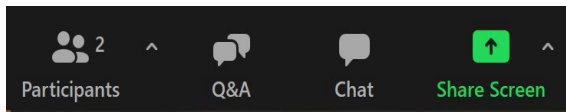
- Features will vary based on the version of Zoom and device you are using
- Some Zoom features are not available for telephone-only participants

PROVIDING COMMENTS

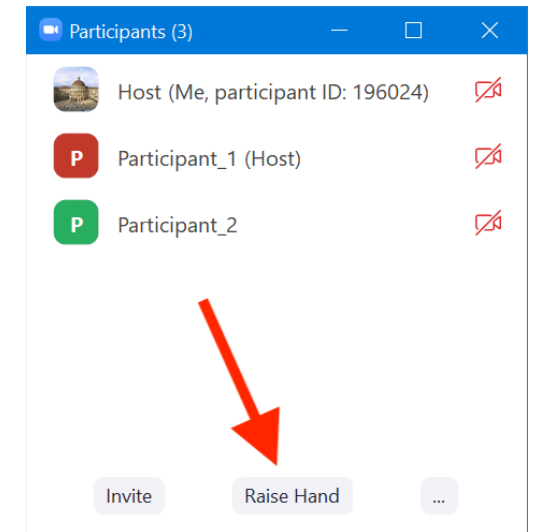
Please use “Q&A” for your questions and comments; if you prefer, you may send your questions/comments to ratesquestions@dds.ca.gov



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

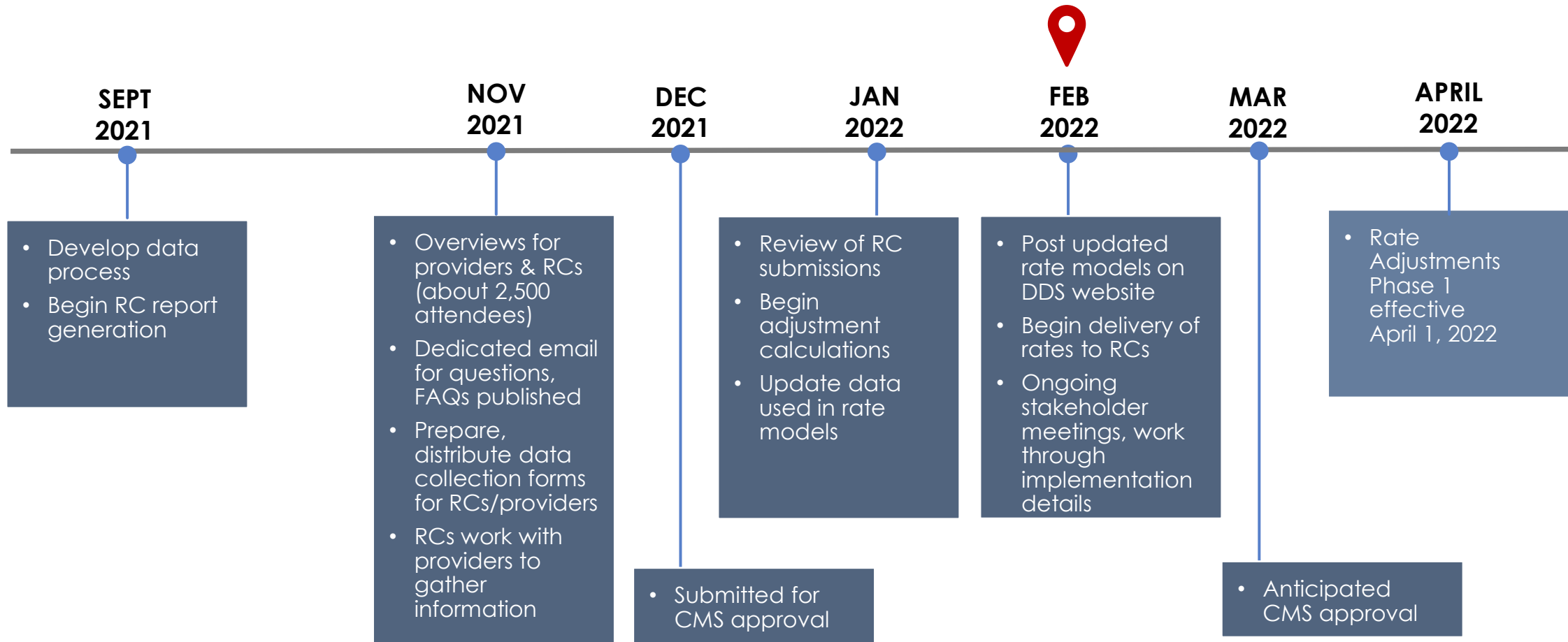
July 1, 2023

- 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



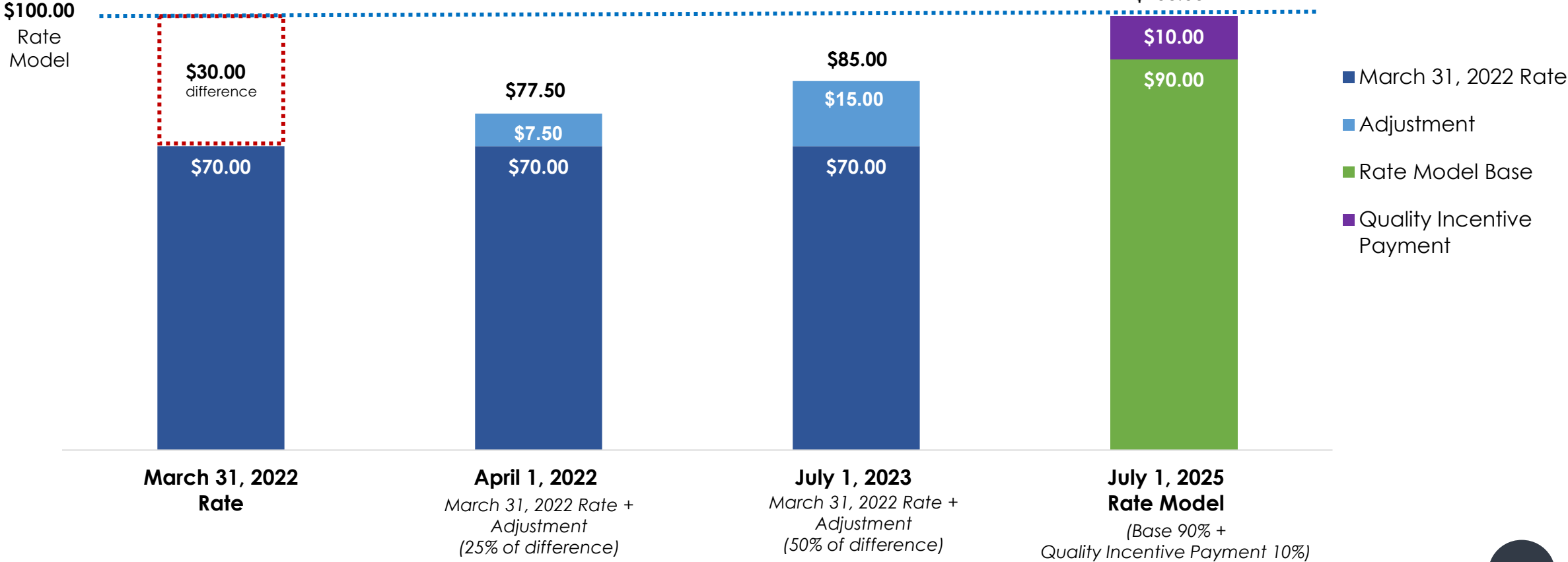
RATE ADJUSTMENTS EXAMPLE



July 1, 2022

June 30, 2025

Quality Incentive Payments are additive to provider rates



PROCESS FOR DETERMINING BENCHMARK RATES FOR SUPPORTED LIVING

- 
- Collect data (staffing ratio, staff qualifications, service hours) to align with the rate models

- 
- 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, or monthly rates, regional centers can continue to use those units
- In coming years work with stakeholders to standardize through shared definitions of service, staffing qualifications, & billing units

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

- Information provided will identify baseline rate to be compared to benchmark rate and calculate the applicable 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 ON SUPPORTED LIVING

- Rate study proposed hourly payment rates for Supported Living
 - Although no changes to billing units are required in April, a current effective hourly rate is needed to calculate the appropriate rate increase
- In general, effective hourly rate is calculated by dividing total monthly rate (or budget) by the number of service hours
 - If the Regional Center uses a budget tool to determine the monthly rate (budget), evaluate each component to determine portions included in SLS hourly rate
 - Goal is to count included components, so baseline costs do not overstate the current rate (and understate the increase)
 - Components not included in the SLS rate model will be added back to the calculated April 1 rate, since no changes to billing are required
- Approach is the same for monthly rates and monthly budgets using a \$1.00 rate

PROCESSING

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 (+/- 10%) from the amount appearing in the rates files

Rate Unbundling Report

Service Detail Collection Form

UNBUNDLED ACTIVITIES

- Instances of separate payments being made for an activity that is integral to the core service and, generally, not billable as a standalone activity
 - Most common examples are administration and travel
- 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

UNBUNDLED ACTIVITIES (CONTINUED)

- 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

DETERMINING COMPONENTS INCLUDED IN BENCHMARK RATE

Component	Units	Unit Rate	Amount	Notes
DSP Hours	240	\$20.00	\$4,800.00	Included; hours in denominator
DSP Hours-Asleep	240	\$15.00	\$3,600.00	Included; hours in denominator (model does not distinguish between awake/ asleep)
Mileage	1,250	\$0.56	\$700.00	Included; mileage bundled into model
Room and Board	1	\$900.00	\$900.00	Not included; not in model
Direct Nursing	44	\$100.00	\$4,400.00	Not included; not in model (which assumes direct nursing will be separately billed)
Staff Participation Fees	1	\$100.00	\$100.00	Included; part of program cost in model
Administration	-	At 10%	\$1,100.00	Included; included in model
Total			\$15,600.00	Represents current total

For questions about what components are included, please email ratesquestions@dds.ca.gov

DETERMINING CURRENT EFFECTIVE RATE

	All Components	Adjusted for components in the benchmark model
Current Rate (Budget)	\$15,600.00	\$15,600.00
Less Room and Board	-	(\$900.00)
Less Direct Nursing	-	(\$4,400.00)
Total (Budget)	\$15,600.00	\$10,300.00
Divided by Funded Hours (inc. Asleep)	480	480
Effective Hourly Rate	\$32.50	\$21.46

Regional Center reports \$21.46 as the 'correct' rate

- Monthly rate: adjust current rate to \$10,300 and report 480 hours per month
- \$1.00 rate: select invalid rate (noting new record) and create new record

If multiple individuals served under a subcode, sum all 'included' components and divide by sum of all funded hours

CALCULATING RATE ADJUSTMENTS

	All Components	Adjusted for components in the benchmark model
Benchmark Rate Model	\$29.46	\$29.46
Current Effective Hourly Rate	\$32.50	\$21.46
Difference in Rates	- \$3.04	\$8.00
25% of Difference	N/A	\$2.00
% Increase (Compared to Current Effective)	N/A	9.32%

- Percentage increase will be applied to the 'included' components of the monthly rate (budget)
- Components not included remain at current rates (without adjustment) and do not understate the increase
- Components not included in the benchmark rate will be added back to the total rate for April 2022

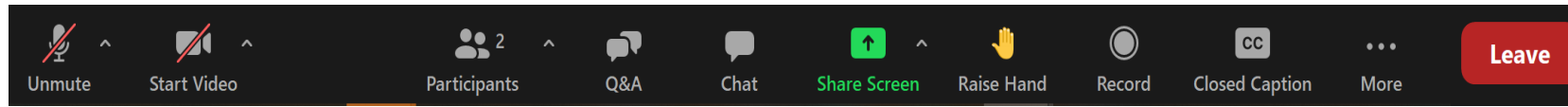
ADJUSTED MONTHLY BUDGET

Component	Units	Unit Rate	Amount	Adjusted Unit Rate	Adjusted Amount	Notes
DSP Hours	240	\$20.00	\$4,800.00	\$21.86	\$5,246.40	Increased by 9.32%
DSP Hours-Asleep	240	\$15.00	\$3,600.00	\$16.40	\$3,936.00	Increased by 9.32%
Mileage	1,250	\$0.56	\$700.00	\$0.61	\$762.50	Increased by 9.32%
Room and Board	1	\$900.00	\$900.00	\$900.00	\$900.00	Not increased
Direct Nursing	44	\$100.00	\$4,400.00	\$100.00	\$4,400.00	Not increased
Staff Participation Fees	1	\$100.00	\$100.00	\$109.32	\$109.32	Increased by 9.32%
Administration	-	At 10%	\$1,100.00	At 10%	\$1,535.42	Not directly adjusted, but increases based on component changes
Total			\$15,600.00		\$16,899.64	

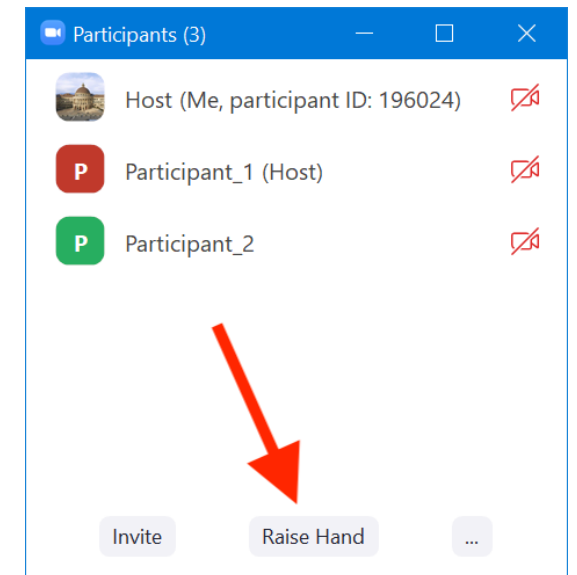
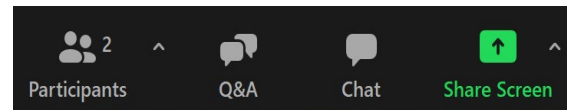
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Q & A

Dedicated email: ratesquestions@dds.ca.gov

Questions not answered live will be added to the [FAQs](#) on rate adjustment implementation