

Innovations Rates

Considerations, Recommendations, & Next Steps

Presented to Provider Advisory Council by
Jesse Smathers
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Considerations

- There are 12,488 Innovations slots statewide
- We currently manage 1,648 slots – 13.20% of slots available statewide
- At the beginning of the wavier year, 21 are held in reserve for transitions from other community alternative programs, Money Follows the Person deinstitutionalization, or emergent situations
- We receive a per member per month (PMPM)



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Considerations

- Presented with a “Residential Innovations Rate Increase Request” White Paper
- Document drafted by
 - Developmentally Disabled Facilities Association
 - NC Association of Community Based ICF/IID & Innovations Service Providers
 - NC Providers Council
 - Rubicon Management, Inc.



Considerations

- “White Paper” identifies additional overhead expenses due to
 - Writing short-term goals
 - Increased level of care reviews (every 150-180 days)
 - Challenges working with multiple payers
 - Affordable Care Act compliance
 - Department of Labor changes regarding wages and overtime rules
 - Staff training increases due to wage depression, job market conditions and competition for staff
 - Home & Community Based Services (HCBS) Final Rule requirements



Considerations

- “White Paper” recommends
 - Requests rate increases of 10% per year for the next 3 years for Residential Supports
 - Requests that the \$5.00 per diem stipend for AFL be maintained
 - Reinstatement of therapeutic leave days for congregate arrangements



Considerations

- Requested that PAC IDD Subcommittee review services and prioritize for rate increases per home & community-based standards
- PAC IDD Subcommittee recommended 10% increase in all services
- Projected cost impact of 10% “across the board” increase in services from November 1, 2016, to June 30, 2017
 - \$3.9 million deficit w/current PMPM
 - \$2.8 million deficit w/anticipated PMPM



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Considerations

- Waiver Amendment Implementation
November 1, 2016
 - Individual Budgets – Resource Allocation
 - Gradual elimination of services
 - In-home Skill Building
 - In-home Intensive Supports
 - Personal Care
 - Addition of new services without cost history
 - Community Living & Supports
 - Supported Living
 - Supported Employment – Long-term Follow Up



Considerations

- Residential Supports levels are currently determined by NC SNAP index score
 - Level 1 = 24-44
 - Level 2 = 45-79
 - Level 3 = 80-94
 - Level 4 = 95-230



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Considerations

- Residential Supports levels will be determined by individual budget categories
 - Level 1 = Category/Level A
 - Level 2 = Category/Level B
 - Level 3 = Category/Level C & D
 - Level 4 = Category/Level E, F, & G



Considerations

- Greater subjectivity in the NC SNAP index score than in Supports Intensity Scores
- Anticipate more members being in Category/Level A than have NC SNAP index score of 44 or less
- Over 30% difference between current rates for level 1 & level 2



Considerations

- Home & Community-based Services (HCBS) Final Rule
 - Integration of acute and long-term services, moving away from fragmented care
 - Pay for quality, value and outcomes
 - Expected to comply with Olmstead Decision under the ADA
 - Rebalance spending towards community integration
 - Incent HCBS through payment structures



Considerations

- Analyzed Appendix J: Cost Neutrality Demonstration, p. 231 – 243
- Developed Waiver Year 3 Derivation of Estimates
 - Number of users (distinct client count per service line)
 - Average Units Per User
 - Average Cost Per Unit
 - Service Line Component Cost



Recommendations

- 10% “across the board” increase is not possible
- Targeted rate adjustments that incent HCBS services
- No adjustments to Community Navigator services – should consider 15-minute unit rate for self-direction training



Recommendations

- No adjustments to In-home Skill Building, In-home Intensive Supports, and Personal Care because of the gradual elimination
- Set rates for Community Living & Supports
 - Individual - \$4.86 – T2013TF
 - Group - \$2.55 – T2013TF
- Providers of In-home Skill Building, In-home Intensive Supports, and Personal Care will have service codes added to contract



Recommendations

- Transition Day Supports rates to hourly rates
- Set Supported Employment – Long-term Follow-up rates
 - Individual - \$7.39 – H2025TS
 - Group - \$2.53 – H2025TSHQ
- Add Long-term Follow-up to providers of Supported Employment
- Increase rates for Supported Employment



Recommendations

- Set Supported Living rates
 - Level 1 - \$152.47 – T2033
 - Level 2 - \$184.09 – T2033HI
 - Level 3 - \$215.17 – T2033TF
- Providers will have to complete nomination forms to add these service codes to contracts



Next Steps

- Receive PMPM offer from DMA, negotiate as possible
- Publish rates for all Innovations services within 5 business days of receipt of final PMPM.

