PURPOSE OF COMMITTEE:

Committee members shall develop a written recommendation on how to begin addressing statewide residential rate inequities by analyzing residential rates and Support Intensity Scores (SIS). Committee shall provide a recommendation to the Division Director so the information can be considered during the DMH Fiscal Year 2014 budget process.
Committee Members

**Missouri Association of County Developmental Disabilities Services**
Debby Sanders  Les Wagner**  Dave Weiler  Nancy Pennington
Brenda Rocoberto*

**Missouri Association of Rehabilitation Facilities**
Cindy Clark  Jhan Hurn  Greg Kramer  Shaun Powers

**Division of Developmental Disabilities**
Roger Garlich  Jeff Grosvenor  Vicki McCarrell  Wanda Russell
Robin Rust  Cla Stearns  Marcy Volner

* - Replaced Julie Elsbury, Boone County Family Resources.
** - Joined the group in December 2012
Committee Overview

- The proposed rate setting process should rebase rates to address historical rate inequities.

- The proposed rate setting process will utilize a tool that is designed to measure the construct of supports needed by the individuals participating in Home and Community Based Waiver (HCBW), such as the Supports Intensity Scale (SIS), a proprietary assessment tool of the American Association on Intellectual and Developmental Disabilities (AAIDD).

- For new people and new agencies entering the DD system, the recommendation will provide consistent process to establish rates.

- No individual or service provider rates would be reduced.
Report to the Senate Select Committee on MO HealthNet Provider Rate Equalization, June 1, 2009, states that over the last 20 years the DD contract provider cost of living adjustments are 23% and 29% below the cost of living adjustments provided by the SSA and the CPI, respectively, over this same time period.

Final recommendations of the committee will be available to assist DD during the Fiscal Year 2014 budget process.
### Cumulative Increase from 1991 to 2009

<table>
<thead>
<tr>
<th></th>
<th>Cumulative Increase from 1991 to 2009</th>
<th>Change from 2009 to 2012</th>
<th>Revised Cumulative Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>DD Contract Provider COLA</td>
<td>34.00%</td>
<td>0.50%</td>
<td>34.50%</td>
</tr>
<tr>
<td>Social Security COLA (Note 1)</td>
<td>56.70%</td>
<td>3.60%</td>
<td>60.30%</td>
</tr>
<tr>
<td>Consumer Price Index (Note 2)</td>
<td>63.15%</td>
<td>5.78%</td>
<td>68.93%</td>
</tr>
</tbody>
</table>

**Note 1** – [http://www.socialsecurity.gov/history/briefhistory3.html#colas](http://www.socialsecurity.gov/history/briefhistory3.html#colas)

**Note 2** – [http://data.bls.gov/cgi-bin/cpicalc.pl](http://data.bls.gov/cgi-bin/cpicalc.pl)
June 1, 2009 Senate Select Committee report stated:

"The amount of General Revenue funds necessary to achieve this historical rebase, using current state share rate of 36.81% is from $35.1 million to $45.0 million."
What is the Support Intensity Scale (SIS)?

- Comprehensive interview that focuses on the supports needed for an individual to function effectively in their community.

- Developed by American Association on Intellectual and Developmental Disabilities (AAIDD),
  - National normative sample of over 1,700
  - Adults ages 16–72

- Completed by interviewing the individual and those persons who know him or her best.

- Describes the:
  - Type and frequency of support
  - Intensity of supports
  - Major behavioral support needs
  - Major medical support needs
Support Intensity Scale (continued)

How often is the SIS done?

- Initially to those identified as Waiver Eligible
- Every 3 years or
- After a significant change is experienced

Are other States using the SIS Scores?

**Currently Using SIS Data**

- Colorado
- Georgia
- Louisiana
- North Carolina
- Oregon
- Washington

**Other States Developing Strategies to Use SIS Data**

- Hawaii
- Kentucky
- Maine
- Michigan
- New Hampshire
- New Mexico
- North Dakota
- Rhode Island
- Virginia
How do you make sure the SIS reliable?

- SIS has a .87 inter-rater reliability (IRR) coefficient, which falls in the “excellent” category.
- AAIDD directly trains the Division’s SIS instructors/leads. Training of the leads occurs over 4 days, including assessments of the instructor’s expertise with the test and their ability to train others.
- Qualification for Instructors is closely controlled by AAIDD.
- Instructors train interviewers in the RO’s, and conduct reliability checks quarterly.

How will Rate Allocation Scores be used to establish rates?

- Rate Allocation Scores will be used to categorize the level of support an individual needs based on a scale of 1-7.
Distribution of Current Rate Allocation Scores

Rate Allocation Score Distribution
For Individuals Receiving Residential Services

1-3: 58%
4-5: 24%
6-7: 18%
## Current Average Daily Rates Paid Compared to Rate Allocation Scores

<table>
<thead>
<tr>
<th>Rate Allocation Scores</th>
<th>ISL Average Daily Rate</th>
<th>GH Average Daily Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$166.86</td>
<td>$127.10</td>
</tr>
<tr>
<td>2</td>
<td>$194.04</td>
<td>$143.94</td>
</tr>
<tr>
<td>3</td>
<td>$230.17</td>
<td>$159.72</td>
</tr>
<tr>
<td>4</td>
<td>$219.67</td>
<td>$158.76</td>
</tr>
<tr>
<td>5</td>
<td>$257.74</td>
<td>$170.27</td>
</tr>
<tr>
<td>6</td>
<td>$261.14</td>
<td>$184.39</td>
</tr>
<tr>
<td>7</td>
<td>$267.68</td>
<td>$187.30</td>
</tr>
</tbody>
</table>
Direct Care Hourly Rates Proposed for Individuals Based on Rate Allocation Scores

<table>
<thead>
<tr>
<th>Rate Allocation Scores</th>
<th>Hourly Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$25.00</td>
</tr>
<tr>
<td>2</td>
<td>$27.50</td>
</tr>
<tr>
<td>3</td>
<td>$30.00</td>
</tr>
<tr>
<td>4</td>
<td>$32.50</td>
</tr>
<tr>
<td>5</td>
<td>$35.00</td>
</tr>
<tr>
<td>6</td>
<td>$37.50</td>
</tr>
<tr>
<td>7</td>
<td>$40.00</td>
</tr>
</tbody>
</table>
### Proposed Group Home Daily Rates
Based on Rate Allocation Scores

<table>
<thead>
<tr>
<th>Rate Allocation Scores</th>
<th>6 Bed GH Daily Rate</th>
<th>8 Bed GH Daily Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$171.87</td>
<td>$129.73</td>
</tr>
<tr>
<td>2</td>
<td>$188.73</td>
<td>$142.37</td>
</tr>
<tr>
<td>3</td>
<td>$205.59</td>
<td>$155.01</td>
</tr>
<tr>
<td>4</td>
<td>$225.74</td>
<td>$170.95</td>
</tr>
<tr>
<td>5</td>
<td>$335.93</td>
<td>$253.59</td>
</tr>
<tr>
<td>6</td>
<td>$366.03</td>
<td>$277.81</td>
</tr>
<tr>
<td>7</td>
<td>$389.55</td>
<td>$295.45</td>
</tr>
</tbody>
</table>
Assumptions - Group Home Rates

- **Standard Staffing Pattern Assumptions**
  - Rates established for 6 bed and 8 bed group homes
  - Rates developed with 18 hour staffing patterns for Monday – Friday
  - Weekend rates developed using 24 hour staffing pattern
  - Additional 16 hours of staffing per day included for individuals with Rate Allocation Scores above 4

- **Other Assumptions used to Develop Rates**
  - Registered Nursing hours at $50 per hour based on scores;
    - Rate Allocation Scores of 1-3 receive 2 hours per month,
    - Rate Allocation Scores of 4-5 receive 4 hours per month,
    - Rate Allocation Scores of 6-7 receive 8 hours per month
Sample ISL Daily Rates
Based on Rate Allocation Scores

<table>
<thead>
<tr>
<th>Rate Allocation Scores</th>
<th>2 Bed ISL Daily Rate*</th>
<th>3 Bed ISL Daily Rate*</th>
<th>4 Bed ISL Daily Rate*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$334.79</td>
<td>$223.20</td>
<td>$167.40</td>
</tr>
<tr>
<td>2</td>
<td>$368.27</td>
<td>$245.52</td>
<td>$184.14</td>
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<tr>
<td>3</td>
<td>$401.75</td>
<td>$267.84</td>
<td>$200.88</td>
</tr>
<tr>
<td>4</td>
<td>$435.23</td>
<td>$290.16</td>
<td>$217.62</td>
</tr>
<tr>
<td>5</td>
<td>$468.71</td>
<td>$312.47</td>
<td>$234.36</td>
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<tr>
<td>6</td>
<td>$502.19</td>
<td>$334.79</td>
<td>$251.10</td>
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<tr>
<td>7</td>
<td>$535.67</td>
<td>$357.11</td>
<td>$267.84</td>
</tr>
</tbody>
</table>

* - Actual daily rate for individuals in an ISL will be based on direct care hours on the individual’s ISL budget. Samples above are based on sharing direct care staff 18 hour a day (M-F) and 24 hours on weekends. Majority of ISL settings should be 3-4 person settings.
Rate Committee Recommendations

Committee recommends Division;

1. Rebase DD residential rates to more accurately reflect the cost of doing business and eliminate historical rate inequities for long term DD providers.

2. Establish new daily rates based hours of direct care service hours needed by an individual and their Rate Allocation Score.

3. Implement a process to validate an individual’s Rate Allocation Scores.

4. Continue to explore new funding sources to partially support the state General Revenue funds necessary to implement residential provider rate rebasing.

5. Develop a multi-year plan of no more than four years to fully fund the rate rebasing recommendation.

6. Request annual COLA based on Consumer Price Index or Social Security Administration annual % increases during the implementation of the rate rebasing process.
Committee recommends Division:

6. Request annual COLA based on Consumer Price Index or Social Security Administration annual % increases during the implementation of the rate rebasing process.

7. Use the new daily rates for new individuals coming off the DD Residential Wait List after June 30, 2013.

8. After full implementation, require residential provider agencies to compensate direct care staff at an annual salary equal to Developmental Assistant I’s and II’s employed by the DD Habilitation Centers. (Average Developmental Assistant I and II salary paid in FY 2012 equals $21,635.

9. Rate Review Committee would be available to address individual’s with unique needs that cannot be addressed under the recommended rate structure.
Cost of Implementing Recommendation

Estimated Cost - $63.4 Million in General Revenue

<table>
<thead>
<tr>
<th>Rate Allocation Scores</th>
<th>Group Home (GR Cost)</th>
<th>ISL Cost (GR Cost)</th>
<th>Total GR Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$2,132,895</td>
<td>$7,785,892</td>
<td>$9,918,787</td>
</tr>
<tr>
<td>2</td>
<td>$2,382,010</td>
<td>$6,605,722</td>
<td>$8,987,732</td>
</tr>
<tr>
<td>3</td>
<td>$1,004,252</td>
<td>$3,925,554</td>
<td>$4,929,806</td>
</tr>
<tr>
<td>4</td>
<td>$3,335,415</td>
<td>$8,103,977</td>
<td>$11,439,392</td>
</tr>
<tr>
<td>5</td>
<td>$883,704</td>
<td>$601,254</td>
<td>$1,484,957</td>
</tr>
<tr>
<td>6</td>
<td>$4,421,518</td>
<td>$4,301,244</td>
<td>$8,722,762</td>
</tr>
<tr>
<td>7</td>
<td>$3,555,818</td>
<td>$14,364,510</td>
<td>$17,920,328</td>
</tr>
<tr>
<td><strong>Total GR Costs</strong></td>
<td><strong>$17,715,611</strong></td>
<td><strong>$45,688,152</strong></td>
<td><strong>$63,403,763</strong></td>
</tr>
</tbody>
</table>
Impact of Rate Recommendation

What will this recommendation accomplish?

- Improve the quality of services statewide and provide stability for over 6,500 individuals served by agencies providing residential support services.
- Allow individuals the ability to select residential services from all available providers and have funding available to meet their changing needs.
- Eliminate historical inequities identified in the Senate Select Committee Report dated June 1, 2009.
- Develop daily residential rates based on a tool that measures an individual’s needs and provides appropriate level of funding to purchase support services to meet their needs.
Questions/Concerns

1. **What if an individual’s needs cannot be supported effectively using the proposed rate structure?**

   In those unique situations, the Division may use the Rate Setting Committee, which includes DD community providers to review cost report information and make recommendations to the Division. (9 CSR 45-4.010 Residential Rate Setting)

2. **How will individuals with different Rate Allocation Scores be served in the same ISL or group home?**

   Individuals will be served by an agency based on a staffing pattern that will meet their needs, an agency will be reimbursed the appropriate daily rate based on the individual’s Rate Allocation score.
3. If an individual selects another residential provider, will the new agency receive the same rate?

Yes, as long as the Rate Allocation Score has not changed the daily reimbursement rate will be the same.

4. Did Committee review urban versus rural rates?

Committee reviewed rate information including Medicaid State Plan rates and other fee schedules used to reimburse providers. Most rates do not include rural and urban options. Committee agreed the single statewide recommendation would be the best solution. Rate recommendation would allow individuals portability statewide and eliminate any challenges over communities status as rural or urban.
5. **What daily rate will be used for individuals in group homes larger than 8 beds?**

Daily rates for individuals in settings larger than 8 beds may be reviewed by the Division and determine if the Rate Setting Committee should be used to establish new rates.

**Other Questions/Concerns ?**

Please send any questions or concerns to Committee Members representing your association. They will share questions or concerns with the Committee.