



State of Connecticut
Department of Developmental Services



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Governor

Morna A. Murray, J.D.
Commissioner

Jordan A. Scheff
Deputy Commissioner

Operations Center Memo - 2015-05

To: Private Providers

From: Peter Mason
Operations Director

Cc: Commissioner Morna Murray, Deputy Commissioner Jordan Scheff, Regional Directors, Assistant Regional Directors of Private Services, Individual and Family Support Directors, Self Determination Directors, Resource Administrators, Director of Waiver Services, Case Manager Supervisors, Operation Center Staff, CCPA, CT Non Profits, ARC/CT

Date: June 5, 2015

Re: Day Rate Transition
ISE Rate Update and Hardship Payments
Healthcare Coordination and Clinical Behavioral Supports Payments

Day Rate Transition

This is the fourth year of the Day LON Rate transition process. Providers and DDS have worked together to match individual authorizations with the Day LON rates. This has included LON reviews, transportation audits, approval of enhanced staffing supports from the Utilization Resource Review (URR) and the realignment of funding allocations when it was appropriate. This has resulted in significant progress in the movement to Day LON rates. The Day Rate Transition spreadsheets for Fiscal Year 2016 were sent out to all day providers on June 4, 2015.

As a reminder, the per diem Day LON rates were built on a standard minimum length of day. DDS has been gradually extending the length of time providers must provide supports to individuals in their day program as outlined in the POS contract. This transition will eventually move all providers to a standard minimum length of day by the end of the FY2016. For FY2016 and effective July 1, 2015, Group day programs are required to provide a minimum programming of five and three quarters (5 ³/₄) hours/day, five (5) days/week, excluding transportation. For FY2017, all providers will provide a minimum programming of six (6)

hours/day, five (5) days/week, excluding transportation. Participants may attend a program for fewer hours than the standard day only if the IP documents the need for a reduced day.

ISE Rate Update and Hardship Payments

DDS implemented a new rate structure for Individual Supported Employment (ISE) on February 1, 2012. The reason for the development of a new rate structure was to create a system that meets the needs of individuals who desire to work in a competitive employment setting and reimburse agencies for the supports provided and the infrastructure required to maintain a successful placement program.

Over the last three years, DDS has had in place two strategies to help facilitate the transition for the provider community:

- The first was to provide hardship funding to providers to help bridge the gap from the previous legacy funding to the new rate structure. Hardship funding has been systematically reduced over the last two years. In FY2015, DDS extended the hardship provision to 70% of the potential reimbursement.
- The second process was funding the payment estimate for ISE authorizations at a higher rate than other day supports in order to help with provider cash flow during the transition. The regular day payment estimate assumes 100% of the authorized supports would be provided in the month. The ISE payment estimate has been funded with the assumption that 120% of the authorized supports would be provided in the month.

As we begin the fourth year of the implementation of the ISE rate structure in FY2016, DDS will be ending these two transition strategies. For FY2016, there will be no Hardship Funding for ISE providers. In addition, the payment estimate will be titrated down by 5% over a four month period beginning in July to the standard 100% of the authorized supports assumed to be provided in the month. DDS is encouraged with the progress that has been made to date within the ISE system. There has been an increase in the number of participants with an ISE authorization, the number of hours individuals work at their job, the amount of funding for fees and incentives paid to providers, and the number of completed career plans over the last three years.

Healthcare Coordination (HCC) and Clinical Behavioral Supports (CBS) Payments

Healthcare Coordination and Clinical Behavioral Supports services were previously authorized only through an individual budget. Providers submitted invoices for the actual units provided to the fiscal intermediary for payment.

During the 2013 and 2014 fiscal years, these services were moved from the individual budgets to the Purchase of Service contracts. Payment estimates assumed that 100% of the authorized supports would be provided in the month. Over the last two years, DDS has analyzed the utilization of HCC and CBS authorizations. It was found that, on average, HCC authorizations had a utilization rate of 22% and 40% for FY2014 and FY2015, respectively. CBS authorizations had a utilization rate of 32% and 43% for FY2014 and FY2015, respectively. This low utilization rate has resulted in a few negative payments to providers after an individual has exercised portability from their agencies, as the estimated payment amount for the month was more than the units of services received by the individual.

In order to avoid this in the future, DDS will be changing the payment process for HCC and CBS. Effective July 1, 2015, authorizations for Healthcare Coordination and Clinical Behavioral Supports will be reimbursed based on actual services. The July payment will be the last reimbursement to include an estimate for monthly services (June 2015). The August payment will include the actual services provided in June minus the estimated June services. Thereafter,

providers will be paid for the actual services recorded on WEBRESDAY for the previous months signed off attendance.

The Operations Center will work with any provider who requests a transition period and whose payment would be effected by 10% or greater to the total amount of the July payment. DDS will establish a transition period where the payment estimate will be reduced on an equal basis for a two or three month period.