**GOVERNOR’S CABINET ON NONPROFIT HEALTH AND HUMAN SERVICES**

 **RATE SETTING METHODOLOGIES WORK GROUP**

 **Minutes of June 6, 2012 DRAFT**

**Members present:** Scott McWilliams (Co-Chair), Patrick Johnson (Co-Chair), Marcie Dimenstein, Barry Simon, Chris LaVigne, Deborah Chernoff, Joel R. Ide, Glenn Connan, Robert Dakers, Cindy Butterfield

**Members absent:**  Joseph Drexler, Judy Dowd, Barbara Lanza

**Guests Present:** Mary Ann O’Neill

1. Members present were welcomed by co-chairs and meeting was called to order at 1:40 PM.
2. The minutes of May 29, 2012 were approved
3. The data from independent audits was reviewed prior to the meeting and the workgroup recognizes that 15 participants in last year’s random sample did not submit the next year’s audits thus the sample has been reduced to 83. It remains unclear what happened to those agencies but one assumption is that 8 or 9 of the 15 may have fallen below the $300,000 minimum contract amount for consideration. The workgroup is seeking more definitive information about those 15 agencies if possible. The comparative analysis of the 83 remaining agencies is being completed and blended with the data from the Urban Institute platform.
4. Urban Institute platform data from 990 forms was utilized and data from only three of the ratio analysis was available but presents clear evidence that a tipping point occurred in 2009 and continued into 2010, the last year data is available. The analysis remains in draft form to be finalized at out next meeting. Cindy Butterfield and Scott McWilliams will continue to refine the data analysis. Pat Johnson will contact Joseph Drexler at DDS regarding data developed in that department about sustainable wages which was discussed at an earlier meeting.
5. Information from HUSKY A,B, & C remains unavailable and may remain unavailable due to a major problem with the outdated information technology at DSS. Despite every effort it simply may not be available in time to meet our deadline next week. Data on eligibility for SNAP (Food Stamps) would also be helpful. There was discussion of a recent article in the Chronicle of Philanthropy pertaining to efforts nationwide by human service non-profit charities to assist in qualifying lowest paid employees for government sponsored safety net programs such as Medicaid and food stamps. There were also questions asked about the comparative cost of HUSKY with private insurance. Some data is available but it is not an apples to apples comparison and if just state cost for per person per day coverage is indicated it may not reflect the federal match.
6. The workgroup spent the bulk of the meeting reviewing and editing a series of recommendations to be finalized at our next meeting. There was lively and respectful discussion of all items and formal votes taken on suggested amendments. The language is being finalized by Marcie Dimenstein. A few items were postponed to the next meeting so additional clarification of intent could be sought. At the core of the recommendations is the need for payment rates to cover the true cost of services or consideration must be given to program or service reductions as the offset for non-profit agencies doing business with the state. Significant time as also spent examining how to improve funding mechanisms for building repair and necessary capital expenses. It was agreed that a number of draft recommendations would not be reported out or were blended into other recommendations.
7. Brief discussion regarding the differences in rate and cost methodologies also involved some recommendations to seek increased consistency where possible. The spread sheet comparing the methodologies will be included in the report.
8. The draft introduction was very briefly reviewed and will be finalized at our next meeting.
9. Under public comment Mary Anne O’Neill from CCPA was present and suggested modification to the introduction which will be seriously considered. Mary Anne also participated briefly in the word smiting of draft recommendations.
10. The next meeting is June 14th **from 1:30 t0 4:00 PM** where we hope to finalize our recommendations in preparation for presentation to the governor’s Cabinet the following day.
11. There was no new business and meeting adjourned at 4:14PM