



Department of Developmental Services

Transition Plan

May 12, 2009

Goal: Allow providers to successfully adapt to the new fee for service system through a gradual change in historical reimbursement levels.

| Year | Transition |
|----------------|---|
| FY 2010 | 2% increase or reduction or adjust to rates if difference is less than 2%. Any additional resources available from system change will be used to address low rate providers. |
| FY 2011 | 20% of the transition factor (after the first year) from rate or 2% whichever is greater or move completely on to the rate if the difference is less than 2% |
| FY 2012 | 20% of the transition factor (after the first year) from rate or 2% whichever is greater or move completely on to the rate if the difference is less than 2% |
| FY 2013 | 20% of the transition factor (after the first year) from rate or 2% whichever is greater or move completely on to the rate if the difference is less than 2% |
| FY 2014 | 20% of the transition factor (after the first year) from rate or 2% whichever is greater or move completely on to the rate if the difference is less than 2% |
| FY 2015 | Providers paid at the rates. (last 20%) |

Specific Provisions

1. All aspects of the transition plan will be implemented within DDS appropriations.
2. Initial transition factor will be calculated to two decimals. (Whole percent) All values will be rounded down to a whole percent.
3. Providers who are over the rates and have utilization over 90% will be paid for all billable days. However the transition factor will be recalculated to take into account actual utilization but the provider will not be paid an amount lower than the rates through this process.

Specific Provisions cont.

4. Providers who are below the rates and have utilization over 90% will be paid for all billable days. Providers who are below the rates and have utilization under 90% will be paid for all billable days and will have their payments adjusted but will never be paid above the rates through this process.
5. In the first year providers whose attendance is below 80% capacity for group programs will receive a one time payment for the difference between actual attendance and 80% if their issue is not already addressed through #4. In determining potential days of attendance for people who start and end during the year, start date will be the first day person attends a program and end date the last day they attend

Specific Provisions cont.

6. All new services provided on or after July 1, 2009 will be at the new established rates based on the LON. All rate increases for people currently served will be implemented using the new established rates based on the LON.
7. When considering one time funds for individuals, in addition to the individual needs, Regions may consider providers' transition rate factor in prioritizing one-time funding requests.
8. Rates may be further adjusted to reflect system averages and to equalize the resource distribution.

Specific Provisions cont.

9. COLA: Applied evenly for all providers at or below the rate. Providers above the previous rate but below the revised rate would receive the amount of COLA necessary to move them to the revised rate. Providers above the revised rate would not receive any COLA. However the COLA amount goes toward required adjustments for high and low rate providers and would offset the change required for the year.

Specific Provisions cont.

10. **Appropriation Reduction:** If there is a reduction in the departments' appropriation, it will be applied first to above rate providers up to a 5% cut. Any remaining reduction will be applied to all providers and will result in a rate adjustment. Any reduction will count towards required adjustment of high rate providers by offsetting the percent reduction in the transition plan. Low rate provider's increase would be adjusted based on available resources. This could mean having to lengthen the transition process for low rate providers.