

Developmental Services Payment Reform

Draft Proposal

June 2024

**DEPARTMENT OF
DISABILITIES, AGING AND
INDEPENDENT LIVING**

WHAT WE ARE TALKING ABOUT

I want to tell you about some changes. We think the changes will happen in July 2025.

These changes are for people who get services through Developmental Services.

These changes are about how much we pay for services. The changes are also about how we pay agencies for services.

TODAY'S MEETING

TALK ABOUT

Talk about payment reform
How the Supports Intensity Scale-
Adults (SIS-A) fits in
Feedback

LOOK AT

Look at a draft fee schedule.
A fee schedule is how much we
want to pay for each service

NEXT MEETING

TALK ABOUT

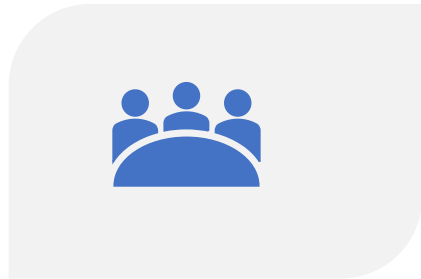
Different Budgets
How we will pay providers
Feedback

LOOK AT

Look at the draft rate models and budgets

A rate model is how people will build their budgets and services.

TODAY'S MEETING



**DAIL WILL TALK TO
STAKEHOLDER GROUPS
STARTING IN MAY 2024**



**DAIL IS ASKING FOR
YOUR FEEDBACK
ON THIS DRAFT**

We will make changes
based on feedback



There will be another
draft to review



That will be the Public
Comment Period

PAYMENT REFORM BACKGROUND

DS Payment Reform project began in January 2018

Goals

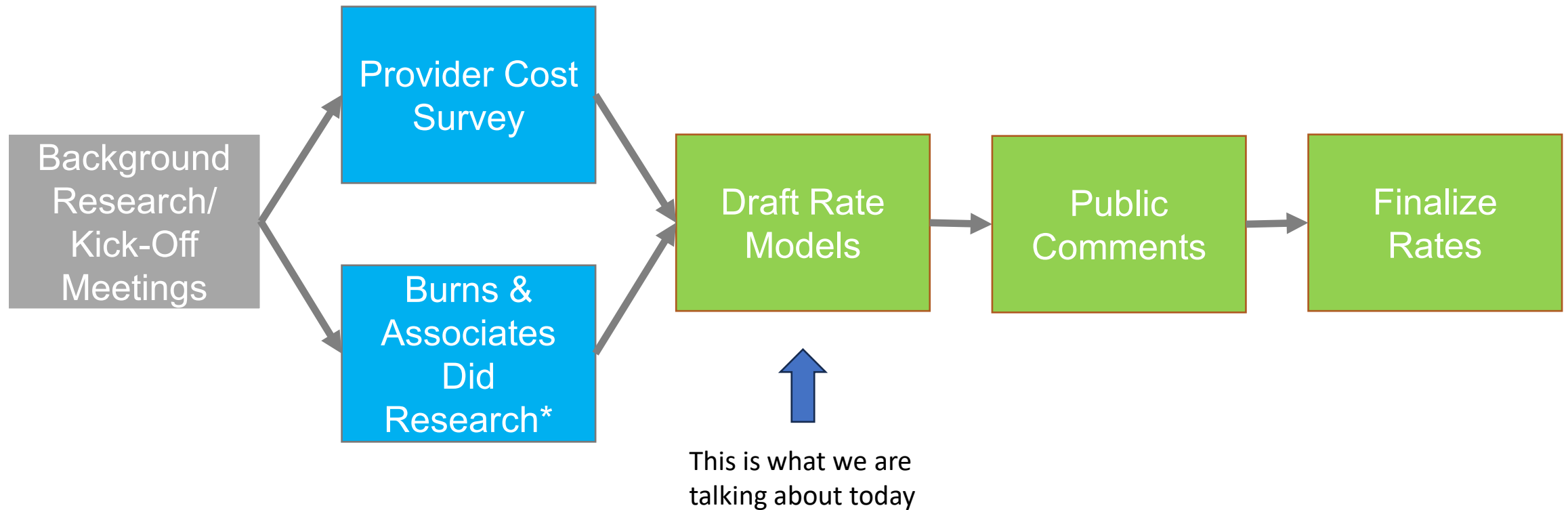
- Equity- people should have access to similar services and payment rates
- Flexibility- you can't always plan for every need or situation
- Transparency- budgets and payments should be clear
- Accountability- show how money was spent and what services were delivered
 - 2014 report from the State Auditor: "DAIL... cannot ensure that clients are receiving the planned services and that the payments being made reflect the services being performed"

PAYMENT REFORM BACKGROUND- ASSESSMENT

Level	Description	Support Needs Index	Med. Support (Sec. 1A)	Behav. Support (Sec. 1B)
1	Low general support need, no extraordinary medical or behavioral needs	71 or Less	6 or Less	10 or Less
2	Moderate general support need, no extraordinary medical or behavioral needs	72 - 88	6 or Less	10 or Less
3	High general support need, no extraordinary medical or behavioral needs	89 - 106	6 or Less	10 or Less
4	Very high general support need, no extraordinary medical or behavioral needs	107 or More	6 or Less	10 or Less
M	Extraordinary medical support need	Any	7 or More OR Verified Need	10 or Less
B	Extraordinary behavioral support need	Any	Any	11 or More OR Verified Need

WHAT MAKES UP A RATE

RATE STUDY PROCESS



*Next slide says more about this

RESEARCH ABOUT WAGE INFORMATION

- Burns & Associates looked at the Bureau of Labor Statistics (BLS) information
 - Has pay rates for more than 800 jobs
 - Has information from more than 1.2 million businesses
 - This makes up 57% of the jobs in the U.S.
 - Different types of jobs
 - Updated once per year (used May 2023 survey data, this is the most up to date data)
 - Data is published for each state. Vermont has its own data.
- Inflation is when the cost of something goes up. It has gone up a lot recently. We considered that in the proposed rates.
- Provider Surveys about their rates.

PRODUCTIVITY ASSUMPTIONS

- There are things we pay agencies for that staff do but are not services. Things like travel, documentation, staff meetings, etc.
- Rate model assumptions
 - 240 annual hours or 30 days of paid time off for full-time staff
 - 20 hours of paid time off for part-time staff
 - DSP-delivered services include 48 annual hours for training
 - All services include 1.25 hour per week for supervision and other employer time
 - Other assumptions change across services
- Providers have given feedback that they would like to increase paid time off and healthcare costs in the model.
- There is also a new Department of Labor rule about paying overtime that we need to look at.

PROGRAM SUPPORT ASSUMPTIONS

- Program operations are things we also have to pay for. Things like time for staff to have supervision, training, and program development. These are things they can't bill for.
- Provider survey found average program support costs of 9.5 percent of income
- Rate models include a total of 15 percent of the total rate for internal service coordination and other program support

PROGRAM SUPPORT ASSUMPTIONS (CONTINUED)

- Current Service Coordination service includes both case management and other supports
 - Service Coordination is about 8.5 percent of providers' income
 - With the transition to conflict-free case management, the rate study recommends not having Service Coordination as a separately-billable service
 - DS will pay for services that will stay with the service providers. The rate models for all services include an additional five percent for these services. Providers would not need to bill for them.
 - Assumes that 60 percent of Service Coordination duties will stay with providers
- Rate models include a total of 15 percent of the total rate for internal service coordination and other program support

PROGRAM SUPPORT ASSUMPTIONS (CONTINUED)

- Providers have given feedback that they think they will keep up to 90% of coordination responsibilities and the rate should be increased.
- Providers have asked for Service Coordination be a separate, billable service and not built into other rates. There is concern that if they don't deliver other services and can't draw down all the money that they would lose funding that also needs to pay for service coordination activities that do happen.
- Providers have also asked to increase the program support rate so there is more funding for nursing supports.

ADMINISTRATION ASSUMPTIONS

- Administration funds activities that are not just about Developmental Services, like executive directors, business office, and human resources etc.
- Rate models have a total of 12 percent of the total rate for administration
 - Current waiver budgets typically include 7 to 12 percent for administration
 - Provider survey found average administrative costs of 15.2 percent of income

WHAT MAKES UP A RATE

The new wage rates being proposed for some services are an increase to what most agencies are paying.

The rate study recommends making a rule that providers can't pay DSPs less than \$18 an hour.

Most providers already pay more than \$18. The proposed wages for staff are all more than \$18. Providers suggested \$20 minimum.

Providers do not need to pay the exact wage we drafted. It is a recommendation and what we made the rate estimates with.

WHAT MAKES UP A RATE?

- + Direct Support Professional Wages (how much staff get paid)
 - + Direct Support Professional Benefits (health insurance, time off)
 - + Direct Support Professional 'Productivity' (providing services)
 - + Program-Specific Costs (staffing ratio, building costs, mileage)
 - + Program Support (quality assurance, service coordination)
 - + Administration (executive directors, staff who don't provide direct services)
-
- = **Total Fee**

UPDATES 8/6/24

DIRECT SUPPORT STAFF: OVERTIME

- Proposal: Rate models did not have money for overtime hours
- Feedback: Rate models should include overtime worked by direct support staff
- Updates: Overtime has been added to direct support rate models
 - Added 4.4 percent for overtime to the rates

PAYROLL TAX AND BENEFITS

Feedback:

- Rate should be increased for health insurance, other benefits, and paid time off.
- The childcare tax should be added

Updates:

- Childcare tax was added. This is an extra 0.44 percent.
- Updated health insurance amount
 - Increases from \$575 to \$745 per employee per month for all staff. This includes staff who don't get benefits. This means the cost for just the employees who get health benefits is \$1,117 per person. It was \$880.
- More paid holidays. It was 10 now it is 12.

ADMINISTRATION COSTS

- Proposal: Rate models had 12 percent of the total rate for administration
- Feedback: Rate models should include more administrative funding to account for rising costs
- Updates: Administrative rate increased to 15 percent

SERVICE COORDINATION

- Proposal: The costs of service coordination activities are built into the rates for other direct services
 - Providers will keep 60 percent of current service coordination work. The other 40 percent will go to the new case managers
- Feedback: Service coordination funding should not be built into direct services. The 60 percent is not high enough.
- Updates:
 - Coordination activities will not be a separate service.
 - Providers will continue to submit encounters for coordination activities based on a new definition. The new definition takes out the case management activities, like writing the ISA.
 - DAIL will look at service coordination encounters and the rate now. It will be compared to the amounts in the rates for other services.
 - DAIL will reconsider the 60 percent after the first year based on the data. The data will show how much service was delivered.

DRAFT RATES

CURRENT RATES AND DRAFT RATES

Service	Provider Survey Wage (weighted avg.)	Proposed Draft Wage to Staff	Current Rate to Agency	Proposed Rate to Agency
Community Support	\$20.65	\$22.81	No Set Rate Max: \$55.71/hour Avg: \$43.00/hour	1:1 \$62.14 \$66.54 1:2 \$68.35 \$73.19 1:3 \$74.57 \$79.85 2:1 \$114.49 \$123.55
Community Support- Facility Based (at the agency)	\$20.65	\$22.81	\$25.00	1:1 \$57.11 \$61.48 1:2 \$62.82 \$67.63 1:3 \$68.53 \$73.78
Staffed Living	\$20.87	\$22.81	No Set Rate Max: \$48.44/hour Avg: \$39.93/hour	1:1 \$51.00 \$55.33 1:2 \$56.10 \$60.86 2:1 \$99.31 \$107.93

CURRENT RATES AND DRAFT RATES

Service	Provider Survey Wage (weighted avg.)	Proposed Draft Wage to Staff	Current Rate to Agency	Proposed Rate to Agency
Respite Hourly- Agency Delivered	\$19.17	\$22.81	No Set Rate Max: \$50/hour Avg: \$17.08/hour	1:1 \$53.99 \$58.54 1:2 \$59.39 \$64.39 1:3 \$64.79 \$70.25 2:1 \$105.53 \$114.67
Respite Daily- Agency Delivered	\$19.17	\$22.81	Max: \$450/day Avg: \$215.04/day	1:1 \$353.10 \$370.21 1:2 \$388.42 \$407.24 2:1 \$706.20 \$740.42

Only 3 agencies reported delivering respite services.

These rates are not for self and family managed services.

Self and Family managed services are also called self and surrogate managed services.

Service	Provider Survey Wage (weighted avg.)	Proposed Draft Wage to Staff	Current Rate to Agency	Draft Rate to Agency
Employment Assessment	\$18.95	\$27.30	No Set Rates Max: \$54.45/hour Avg: \$44.26/hour	\$67.09 \$73.52
Employer and Job Development	\$21.94	\$27.30	No Set Rates Max: \$54.45/hour Avg: \$44.26/hour	1:1 \$72.52 \$78.92 1:2 \$79.77 \$86.81 1:3 \$87.02 \$94.70
Job Training	\$21.22	\$23.77	No Set Rates Max: \$54.45/hour Avg: \$44.26/hour	1:1 \$65.09 \$69.67 2:1 \$117.45 \$126.68
Ongoing Support to Maintain Employment	\$21.22	\$23.77	No Set Rates Max: \$54.45/hour Avg: \$44.26/hour	1:1 \$65.09 \$69.67 1:2 \$71.60 \$76.64 1:3 \$78.11 \$83.60 2:1 \$117.45 \$126.68

Service	Provider Survey Wage (weighted avg.)	Proposed Draft Wage to Staff	Current Rate to Agency	Proposed Rate to Agency		
Group Living (3-4 person home)	\$22.03	\$22.81	No Set Rates	Level 1	\$441.79	\$480.81/day
				Level 2	\$487.72	\$530.82/day
				Level 3	\$585.14	\$636.91/day
				Level 4/M/B	\$654.73	\$721.68/day
				Group homes for people with high safety or medical needs will have their own rates		
Group Living (5-6 person home)	\$22.03	\$22.81	No Set Rates	Level 1	\$406.89	\$442.92/day
				Level 2	\$448.65	\$488.38/day
				Level 3	\$470.92	\$512.63/day
				Level 4/M/B	\$526.59	\$573.25/day
				Group homes for people with high safety or medical needs will have their own rates		
Supervised Living	\$19.37	\$22.81	No Set Rates Max: \$67.85/hour Avg: \$45.15/hour	1:1	\$59.53	\$63.98
				1:2	\$65.48	\$70.38
				2:1	\$111.89	\$120.99

Service	Provider Survey Wage (weighted avg.)	Proposed Draft Wage to Staff	Current Rate to Agency	Proposed Rate to Agency
In Home Family Supports	\$21.79	\$22.81	No Set Rates Max: \$50.19/hour Avg: \$42.81/hour	1:1 \$59.53 \$63.98 1:2 \$65.48 \$70.38 1:3 \$71.44 \$76.78 2:1 \$111.89 \$120.99
Shared Living-Hourly	\$19.99	\$22.81	No Set Rate Max: \$48.08/hour Avg: \$40.53/hour	1:1 \$58.22 \$62.54 1:2 \$64.04 \$68.79 2:1 \$109.77 \$118.67
Shared Living	No Set Rates	Suggested Rate Paid to Shared Living Provider	No Set Rates	Rate Paid to Agency
		Level 1 \$36,269/year		Level 1 \$53,043 \$55,799
		Level 2 \$44,000/year		Level 2 \$64,002 \$67,228
		Level 3 \$52,000/year		Level 3 \$74,961 \$78,656
		Level 4/M/B \$60,000/year		Level 4/M/B \$85,920 \$90,085
				Agencies have to pay at least 65% of the payments they get to the shared

NEXT MEETING

TALK ABOUT

Individual Budgets
Feedback

LOOK AT

Look at individual budgets
How people will choose services



FEEDBACK AND QUESTIONS

- **What are your questions?**
- **What feedback do you have?**

INDIVIDUAL BUDGETS

BUDGET ASSIGNMENT: OVERVIEW OF MODEL SERVICE MIXES AND INDIVIDUAL BUDGETS

- People will get a budget range based on where they live.
- Different places people live:
 - Group Living
 - Staffed Living
 - Shared Living
 - Living with people who don't get paid
 - Living Independently
- The budget will also be based on their needs.
 - Needs are based on the SIS assessment, Context questions, and supplemental questions
- People with more needs get larger budgets

BUDGETS: SERVICES IN THE BUDGET RANGE

- Residential Supports
 - In-Home Family Supports
 - Supervised Living
 - Shared Living (including hourly)
 - Staffed Living
 - Group Living
 - Respite (hourly and daily) / Camp (day and overnight)
 - Emergency Response System
- Self-Directed Services and Supports. Also called self and surrogate managed.
 - All Self-Direct services
 - Supports Broker (new service)
 - Transportation Services-Mileage

BUDGETS: SERVICES IN THE BUDGET RANGE (CONT.)

- Community Supports
 - Community Supports-Individual
 - Community Supports-Group
 - Post-Secondary Education and Technical Training Support
- Employment Supports
 - Employment Assessment
 - Employer and Job Development
 - Job Training
 - Ongoing Supports to Maintain Employment

BUDGETS: SERVICES NOT PART OF THE BUDGET RANGE— COMMUNICATION SUPPORT AND CRISIS

- Money will be added to a budget when someone needs:
 - Communication Support
 - Crisis services
- This is because these services are important. We don't want someone getting less community support because they need crisis support.
- Services will be part of the bundled payment to providers

BUDGETS: NOT PART OF THE BUDGET RANGE – EQUIPMENT

- Services
 - Home Modifications
 - Vehicle Modifications
- These services can be expensive. Most people do not get these services. The money will be added to the budget when someone needs it.
- Services will be paid for when they happen

BUDGETS: NOT PART OF THE BUDGET RANGE – PROFESSIONAL SERVICES

- Other services that will be paid for outside of the budget
 - Clinical Assessment
 - Individual Therapy
 - Group Therapy
 - Family Therapy
 - Behavioral Support, Assessment, Planning, and Consultation
 - Medication and Medical Support and Consultation
 - Other Supportive Services

The reason these services are not in the budget:

- Not everyone gets these services
- We don't want someone getting less community support because they need therapy
- Can pay for these services as fee-for-service

SELF AND FAMILY MANAGED

- Self and Family Managed services. This is also called self and surrogate managed.
- These are people who will have a case manager. The DA or SSA is not providing the service.
 - No rate models
 - People still decide what to pay workers
 - Have to stay within budget
 - There will still be rules about budgets. An example of a rule we have now is that you can't pay someone less than \$15.65 an hour to do respite.
- There might be a new service. It is called a Supports Broker. Supports Brokers will help people who self-direct their services. They will help people understand rules about hiring staff. They will help people understand how to manage their services. They will offer support.

BUDGETS

- To make budgets, we looked at service mixes.
- A service mix is the service someone gets. It is also how much they get.
- There is a service mix for each level of need and where someone lives.
- Each service mix has an estimate about how much service someone might want.
 - You can choose the services you want.
 - You can also choose how much support you want.
 - Everything just has to be in the budget.

BUDGETS

- Here is how we made the budgets:
 - New rates to pay providers
 - Made services mixes. The mixes are based on what most people need now.
 - We added the new rates to the services mixes to make the budgets.
- Most people should have budgets that meet their needs. This is because we made the services mixes with more services than most people get.
 - If people need more, we will have the exceptions process.
- DDSD wants your feedback on the budgets.

BUDGET FOR GROUP LIVING

Service	Measure	1	2	3	4	M	B
Residential Supports							
Group Living	Days/ Year	365	365	365	365	365	365
Community Activities							
Community Supports-Individual	Hours/ Week	5	10	12	12	12	20
Employment-Ongoing Support	Hours/ Week	5	8	8	8	8	10
Total – Community Activities	Hours/ Week	10	18	20	20	20	30

Individual Budget (in a 3-4 Bed Home)	\$193,063	\$235,130	\$276,904	\$302,304	\$302,304	\$333,676
Individual Budget (in a 5-6 Bed Home)	\$169,785	\$205,789	\$217,118	\$237,437	\$237,437	\$264,745

BUDGET FOR STAFFED LIVING

Service	Measure	1	2	3	4	M	B
Residential Supports							
Staffed Living	Hours/ Week	158	150	148	148	148	138
Community Activities							
Community Supports-Individual	Hours/ Week	5	10	12	12	12	20
Employment-Ongoing Support	Hours/ Week	5	8	8	8	8	10
Total – Community Activities	Hours/ Week	10	18	20	20	20	30

Individual Budget

\$434,710 \$439,612 \$440,728 \$440,728 \$440,728 \$446,600

BUDGET FOR SHARED LIVING

Service	Measure	1	2	3	4	M	B
Residential Supports							
Shared Living	Months/ Year	12	12	12	12	12	12
Shared Living-Hourly	Hours/ Week	-	-	-	20	20	20
Community Activities							
Community Supports-Individual	Hours/ Week	5	10	12	12	12	16
Employment-Ongoing Support	Hours/ Week	5	8	8	8	8	10
Total – Community Activities	Hours/ Week	10	18	20	20	20	26
Respite							
Respite	Days/ Year	16	20	24	32	40	40
Individual Budget		\$90,483	\$127,835	\$146,417	\$218,431	\$221,245	\$240,185

BUDGET WHEN LIVING WITH UNPAID SUPPORT

Service	Measure	1	2	3	4	M	B
Home-Based Supports							
In-Home Family Support	Hours/ Week	4	8	12	16	20	16
Community Activities							
Community Supports-Individual	Hours/ Week	5	10	12	12	12	16
Employment-Ongoing Support	Hours/ Week	5	8	8	8	8	8
Total – Community Activities	Hours/ Week	10	18	20	20	20	24
Respite							
Respite	Days/ Year	16	20	24	32	40	40
Individual Budget		\$49,343	\$87,956	\$107,483	\$122,202	\$136,920	\$137,448

BUDGET WHEN LIVING INDEPENDENTLY

Service	Measure	1	2	3	4	M	B
<i>state review for these levels</i>							
Home-Based Supports							
Supervised Living	Hours/ Week	8	10	12			
Community Activities							
Community Supports-Individual	Hours/ Week	5	10	12			
Employment-Ongoing Support	Hours/ Week	5	8	8			
Total – Community Activities	Hours/ Week	10	18	20			

Individual Budget	\$55,618	\$86,872	\$99,040
-------------------	----------	----------	----------

BUDGETS

- We looked at the people who have done the SIS-A so far. The draft budgets cover about 87 percent of individuals.
- We know some people will need more money for services. This will be the exceptions process.
 - For example, people who need two-to-one support. We didn't make budgets for people who need two to one support. They will probably need more.

RATE MODEL POLICIES

- Shared Living providers cannot get paid for other services. This means they cannot provide community supports.
- Group Home rates are for group home supports.
 - Employment and community supports are separate.
- Staffed Living hours of support are based on a person's needs.
 - Individuals can get other services like employment and community supports.

NEXT MEETING

TALK ABOUT

Paying Providers

LOOK AT

What goes into a payment.
When they would have to pay
money back.

PROVIDER PAYMENT AND RECONCILIATION