

# **Developmental Services Payment Reform**

## **Presentation of Proposed Fee Schedule**

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**June 2024**

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

# PURPOSE OF 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  
IN MAY, JUNE, AND  
JULY**



**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

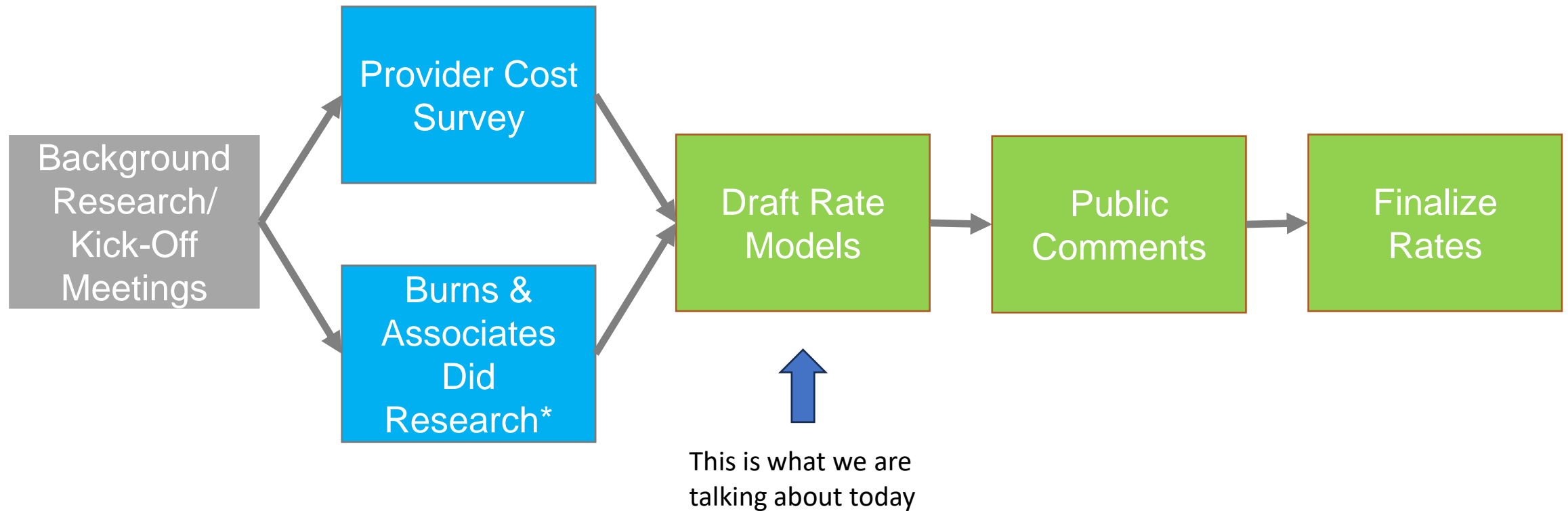
- Equity- people should have access to similar services and payment rates
- Flexibility- you can't always plan for every need or situation
- Transparency- budgets and payments should be clear
- Accountability- show how money was spent and what services were delivered
  - 2014 report from the State Auditor: "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

## 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 case management responsibilities and the rate should be increased.
- Some 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.

# 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 (supervision, quality assurance)
- + Administration (salaries for staff who don't provide services)

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= **Total Fee**



# 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 1:2 \$68.35 1:3 \$74.57 2:1 \$114.49
Community Support- Facility Based (at the agency)	\$20.65	\$22.81	\$25.00	1:1 \$57.11 1:2 \$62.82 1:3 \$68.53
Staffed Living	\$20.87	\$22.81	No Set Rate Max: \$48.44/hour Avg: \$39.93/hour	1:1 \$51.00 1:2 \$56.10 2:1 \$99.31

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
Employer and Job Development	\$21.94	\$27.30	No Set Rates Max: \$54.45/hour Avg: \$44.26/hour	1:1 \$72.52 1:2 \$79.77 1:3 \$87.02
Job Training	\$21.22	\$23.77	No Set Rates Max: \$54.45/hour Avg: \$44.26/hour	1:1 \$65.09 2:1 \$117.45
Ongoing Support to Maintain Employment	\$21.22	\$23.77	No Set Rates Max: \$54.45/hour Avg: \$44.26/hour	1:1 \$65.09 1:2 \$71.60 1:3 \$78.11 2:1 \$117.45

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 Level 2 Level 3 Level 4/M/B	371.10/day 487.72/day 585.14/day 654.73/day  Group homes specializing in serving individuals with high safety or medical needs will have specialized rates
Group Living (5-6 person home)	\$22.03	\$22.81	No Set Rates	Level 1 Level 2 Level 3 Level 4/M/B	406.89/day 448.65/day 470.92/day 526.59/day  Group homes specializing in serving individuals with high safety or medical needs will have specialized rates
Supervised Living	\$19.37	\$22.81	No Set Rates Max: \$67.85/hour Avg: \$45.15/hour	1:1 \$59.53 1:2 \$65.48 2:1 \$111.89	

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 1:2 \$65.48 1:3 \$71.44 2:1 \$111.89
Shared Living-Hourly	\$19.99	\$22.81	No Set Rate Max: \$48.08/hour Avg: \$40.53/hour	1:1 \$58.22 1:2 \$64.04 2:1 \$109.77
Shared Living	No Set Rates	Rate Paid to Shared Living Provider  Level 1 \$36,000/year Level 2 \$44,000/year Level 3 \$52,000/year Level 4/M/B \$60,000/year	No Set Rates	Rate Paid to Agency  Level 1 \$53,043/year Level 2 \$64,002/year Level 3 \$74,961/year Level 4/M/B \$85,920/year  Agencies would be required to pay at least 65 percent of the payments they

# NEXT MEETING

## TALK ABOUT

Individual Budgets  
How we will pay providers  
Feedback

## LOOK AT

Look at the draft rate models and individual budgets

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



# FEEDBACK AND QUESTIONS

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