

WHAT PROVIDERS NEED TO KNOW ABOUT RATE INCREASES & CAREGIVER RESOURCES

HB 18-1407 WEBINAR 2.0

Welcome! The Webinar will begin at 10:00 am.

- All lines will be muted for this webinar
- There is no need to broadcast video from your computer
- Call in number: (515) 739-1015 Access Code: 279-066-230
- How to ask a question:
 - Type it in the chat box
 - Email us after the webinar



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AGENDA

- What is Alliance?
- Definitions
- Background
- Primary Elements of the Law
- Rate Increase Details
- New DD Resources Details
- New Caregiver Emergency Criteria Details
- How you can help
- Questions?





- Alliance Membership is comprised of:
 - Over 80 Program Approved Service Agencies (PASAs) and Community Centered Boards (CCBs)
- Alliance members:
 - Serve over 10,000 individuals with IDD
 - Serve ~80% of people on the IDD Comprehensive Waiver

ALLIANCE IS A NONPROFIT, STATEWIDE ASSOCIATION OF COMMUNITY CENTERED BOARDS (CCBs) AND PROGRAM APPROVED SERVICE AGENCIES (PASAs) THAT IS DEDICATED TO STRENGTHENING SERVICES AND SUPPORTS FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES (IDD).

DEFINITIONS

- IDD
- HCBS
- DD “Comp” Waiver
- SLS Waiver
- CES Waiver
- Resources/Enrollments
- DSP
- HCPF



ITEMS COVERED IN PREVIOUS I407 WEBINAR

- Find our first I407 webinar archived at:
www.alliancecolorado.org/trainingopportunities
- Funding mechanisms
 - Fee-for-service reimbursement
 - Lack of other revenue streams for IDD services – 90%+ Medicaid-funded
- Problem we are trying to solve
 - Financial “perfect storm” = access problems and reduced provider choice
 - People without needed services on waiting list
- How it passed
- Supporters

PRIMARY ELEMENTS OF HBI 8-1407

1. A 6.5% rate increase on *most* IDD waiver services
 2. 300 new (non-emergency) DD-comp waiver enrollments available
 3. A path to help people with caregiver concerns
- COST (half state general fund, half federal funds):
 - About \$70 million in total funds per year

UNDERSTANDING THE RATE INCREASE: PROGRAMS



Medicaid Waiver Services

- DD, SLS, CES waivers
- Select services delivered by DSPs and paid fee-for-service



Medicaid State Plan Services

- Targeted Case Management
- Non-waiver health services
- Early Intervention



State-Funded Services

- State Supported Living Services
- Family Support Services Program



Local Mill Levy

- Local tax dollars from some counties administered by CCBs



UNDERSTANDING THE RATE INCREASE: SERVICES



Which services received a 6.5% rate increase?

THE FOLLOWING SERVICES ON THE DD, SLS, & CES WAIVERS ONLY

- Group Residential Services & Supports (Group Homes)
- Individual Residential Services & Supports (Host Homes, Family Caregivers, Personal Care Alternatives, Private Apartments)
- Specialized Habilitation (Day programs)
- Supported Community Connections
- Individual Respite
- Homemaker & Homemaker Enhanced
- Personal Care
- Prevocational Services
- Behavioral Line Staff
- Community Connector
- Supported Employment – job development & job coaching
- Mentorship

What about other services?

Included in the FY18-19 state budget (not part of this bill):

- All Medicaid services received a 1% across-the-board rate increase
- That means these services received a 7.5% increase total

- Effective date of 1% rate increase was July 1, 2018
- Funds from the 1% increase can be used **as needed** by agencies

What about SPALs?

- Service Plan Authorization Limits in SLS and plan spending limits in CES increased

UNDERSTANDING THE RATE INCREASE: HOW

How does the rate increase work?

- The billable rate for each unit of service was increased on **March 1, 2019**

How do I calculate the rate increase for my agency? For FY 18-19:



You can choose a prospective or retrospective approach, or a combination of the two

UNDERSTANDING THE RATE INCREASE: HOW

■ AGENCY I:

- **Step 1:** Overall we applied the 6.5% to all of the applicable rates and came up with an estimated pool of funds to use.
- **Step 2:** Then we built a spread sheet that included salary and all the related expenses, like FICA and Comp, for people who qualified as DSPs. This also included our Host home providers.
- **Step 3:** With that, we could play with different scenarios to see how much various increases burned up the funds we had available.
- **Decisions:** We decided to roll the increases out early (January 1) so we were using 4 months of money to fund 6 months of increases.
- **Tracking:** For purposes of tracking both expense and revenue, we are keeping a spreadsheet that shows both what we would have received and spent *without* the increase and what we will receive and expend *with* the increase so that we can show HCPF pretty clearly what we got and how we spent it according to the statute.
- **Benefit:** Because we spread 4 months of revenue over 6 months we will need to give another increase July 1 when the increases annualize to spend all the money next year. This was purposeful; we wanted to be able to get 2 raises out of the increase to help with moral.

UNDERSTANDING THE RATE INCREASE: HOW

■ AGENCY 2:

- **Estimate:** Essentially we are anticipating *conservatively* an additional \$1M in new revenue. I actually think it will be a bit more than that a year, but we are budgeting low. Any extra will be our “bonus pool” at the end of the period.
- **Distribution:**
 - 54% to go to new DSP wage increases that began 3/1
 - 6% in additional premium matching for our DSPs for health care
 - 10% in increasing our vacation time (you get more vacation time in subsequent years sooner after this shift)
 - And we calculated we have already spent 30% (for this time period anyway) on a combo of the premium matching and DSP increases.
 - Of the 30% already spent, the vast majority was DSP increases that we gave early to attract and retain staff and HHP’s (25%).
- **Altogether:** 79% has gone to DSP direct wage increases.

UNDERSTANDING THE RATE INCREASE: HOW

■ AGENCY 3:

- **Estimate:** 4 months of 6.5% rate increase on selected services = \$140,000 additional revenue
- **Wage Increases:**
 - 6 months of additional, mandatory minimum wage increase=\$95,000
 - We also increased DSP supervisors by \$.90/hr above minimum wage as salary schedule compression had eroded all DSP differentiation between supervisors and subordinates, effective 7/1/18 and annualized = \$45,000
- **Necessary Expenditure:** FICA associated with this increase =\$7,000
- **Benefits:** 7/1/2018 premium increase on health insurance (annual) =\$50,000
- **TOTALS:** So eligible, incremental expenses in FY2019 = \$197,000 (of which \$152,000 has no discretion on our part) against increased revenue of \$140,000.

UNDERSTANDING THE RATE INCREASE: HOW

- **AGENCY 4 re Host Home Providers:**


- We passed the increase on based on the percent of the rate the provider received. For example, let's use \$100/day for easy math.
 - If a provider was contracted for 70% of the old rate of \$100/day they would be paid \$70/day.
 - Using that example, a rate with the 6.5% increase would make it \$106.5 and the provider would get 70% of that new rate which would be \$74.55 /day.

UNDERSTANDING THE RATE INCREASE: WHEN

Key dates:

- New rates effective: **March 1, 2019**
- Compensation comparison date: **June 30, 2018**
 - Agencies must demonstrate that all funds received from the 6.5% rate increase were spent on increasing DSP compensation above compensation levels in place on June 30, 2018
- Deadline for giving increases: **August 31, 2019**
- First report due: **December 31, 2019**

This means:

- Increases given between July 1, 2018 and August 31, 2019 
- Increases given *prior to* June 30, 2018 



UNDERSTANDING THE RATE INCREASE: WHO

Who can get an increase?

- DSP: “A **worker** who assists or **supervises** a worker to assist a person with an IDD to lead a fulfilling life in the community through a diverse range of services, including helping the person get ready in the morning, take medication, go to or find work, and participate in social activities. DSP includes all workers categorized as **program** direct support professionals and excludes workers categorized as **administrative**, as defined in standards established by the Financial Accounting Standards Board.”



DSP contractors & employees
 Host Home Providers
 Family Caregivers
 DSPs' direct supervisors



Case managers
 Admin/executive Staff

- Still not sure?
 - HCPF FAQ: if audited, agencies must show that the job description of the worker identifies direct care [or supervision] for Activities of Daily Living (ADLs) and Instrumental Activities of Daily Living (IADLs) and that the worker performed these duties on a regular basis.

UNDERSTANDING THE RATE INCREASE: WHAT




How are agencies allowed to spend the additional funds?

- Funds can be spent to increase total compensation as a “direct benefit” to the DSP
 - Direct Benefit: “Compensation that is directly conferred onto a DSP for their sole benefit and does not include direct benefits to the employing or contracting service agency which may have an indirect benefit to the DSP.”
- Agency flexibility – you decide:
 - Type of increase
 - Amount of increase
 - Which DSPs get what




UNDERSTANDING THE RATE INCREASE: WHAT

Examples of Allowable Expenses

- Hourly wage or salary increase
 - Increases in payroll taxes proportionate to wage/salary increase
 - Contract payment increases for Host Home Providers
 - Bonuses
 - Retirement contributions
 - Health savings & flex savings accounts
 - Health insurance for qualifying DSPs
 - Increasing benefits, reducing employee share of premiums
 - Tuition reimbursement *if* DSP requests coaching to perform job duties (not as a new agency requirement)
 - Additional Paid Time Off
- 

Examples of Non-Allowable Expenses

- Memberships (gym, yoga, pilates)
 - Trips, retreats, vacations
 - Payroll taxes not proportionate to wage/salary increase
 - Executive/admin salaries
 - Workers' Compensation Insurance
 - Employee appreciation events
 - Gifts
 - Activities not identifiable to a single program
 - Expenses for:
 - HR, IT, admin, oversight, business management, budget & finance, contract staffing, general record-keeping
- 

UNDERSTANDING THE RATE INCREASE: ACCOUNTABILITY



PASAs must:

- Track & report how they used the funds by state fiscal year (June 30 - July 1)
- Report annually for 3 years using HCPF's reporting tool

| State Fiscal Year | Reporting Deadline | Must Demonstrate |
|-------------------|--------------------|----------------------------|
| 2018-19 | December 31, 2019 | Compensation increases |
| 2019-20 | December 31, 2020 | Comp. increases maintained |
| 2020-2021 | December 31, 2021 | Comp. increases maintained |

- Maintain all books, accounting records, etc. for 3 years after the reporting deadline for each respective fiscal year; and
- Make the information available to HCPF at all reasonable times.

DRAFT REPORTING TOOL



Wage Pass-Through Report

Only include services & impacts to Direct Support Professionals as required in House Bill 18-1407 on this reporting tool.

Provider Reporting for: All Locations Individual Location

| | | | |
|--|---------------------|----|-------|
| Program Provider Identification Number | 51265485412 | | |
| Provider Name | XYZ HEALTH SERVICES | | |
| Address | 4587 CINNAMON DRIVE | | |
| Address 2 | SUITE 148 | | |
| City, State, Zip Code | DENVER | CO | 80023 |

Sections highlighted in green will be completed by the provider. Fields are currently populated with example data for this draft.

Waiver and Service Summary

| | |
|------------------------------------|---|
| Waivers Billed During Fiscal Year | HCBS-DD <input type="checkbox"/> |
| | HCBS-SLS <input type="checkbox"/> |
| | HCBS-CES <input type="checkbox"/> |
| Services Billed During Fiscal Year | Group Residential Services and Supports <input type="checkbox"/> |
| | Individual Residential Services and Supports <input type="checkbox"/> |
| | Specialized Habilitation <input type="checkbox"/> |
| | Homemaker Basic <input type="checkbox"/> |
| | Homemaker Enhanced <input type="checkbox"/> |
| | Behavioral Line Staff <input type="checkbox"/> |
| | Community Connector <input type="checkbox"/> |
| | Supported Community Connections <input type="checkbox"/> |
| | Supported Employment-Job Development <input type="checkbox"/> |
| | Supported Employment-Job Coaching <input type="checkbox"/> |
| | Personal Care <input type="checkbox"/> |
| | Respite <input type="checkbox"/> |
| | Mentorship <input type="checkbox"/> |
| | Provocation Services <input type="checkbox"/> |

Direct Support Professional Retention

| | |
|--|----|
| Number of Direct Support Professionals who received wages, tips, bonuses or other compensation on July 1, 2019, July 1, 2020, and July 1, 2021 | 60 |
| Number of Direct Support Professionals who received wages, tips, bonuses or other compensation on June 30, 2019, June 30, 2020, June 30, 2021 | 48 |

| | |
|---|-------|
| Annual Turnover Rate (percentage) for Direct Support Professionals for the reporting FY. | 22.2% |
| Number of Direct Support Professionals impacted by HB 1407 who indicated leaving position due to salary constraints throughout Fiscal Year? | 9 |
| 1407 related Annual Turnover Rate (percentage) | 11.2% |

DRAFT REPORTING TOOL



Only include services & impacts to Direct Support Professionals as required in House Bill 18-1407 on this reporting tool. The Reporting Period reflects dates of service, not payment date or dates. Claim payment issues and Timely Filing requirements may prevent reporting of all paid claims for the Fiscal Year. All paid claims are subject to Department review of compliance with the pass through, irrespective of paid date.

| | |
|--|--------------------------|
| Provider has chosen not bill at the increased rate and not to pass-through the resulting funding increase to Direct Support Professionals. | <input type="checkbox"/> |
|--|--------------------------|

| | |
|---|--|
| Total Paid Claims for Reporting Fiscal Year | \$ 3,200,000.00 |
| Total Dollar Amount - 6.5% Required Pass-Through | \$ 208,000.00 |
| Are there additional claims that your agency is anticipating payment for? (unresolved PAR and eligibility issues, etc.) | YES <input type="checkbox"/> NO <input type="checkbox"/> |
| If so, how much are there in unpaid claims? | \$ 50,000.00 |
| Are barriers to payment of the unpaid claims above? | (Narrative) |

| Category | Subcategory | Total |
|--|----------------------|----------------------|
| Total Amount Paid to DSPs with the 6.5% Rate Increase - Wages, Tips, Bonuses | Wages | \$ 100,500.00 |
| | Tips | \$ 850.00 |
| | Bonuses | \$ 18,000.00 |
| | Wage Subtotal | \$ 119,350.00 |

| | | |
|--|--|----------------------|
| Total Amount Paid with the 6.5% Rate Increase - Employer-Paid Health Insurance and Other Insurance Programs, Paid Time Off, Payroll Taxes, and/or All Other Fixed and Variable Benefits | Employer-Paid Health and other Insurance | \$ 20,587.00 |
| | Paid Time Off | \$ 19,236.00 |
| | Payroll Taxes (Employer Portion) | \$ 4,600.00 |
| | Other Fixed or Variable Benefits - Describe Below* | \$ 62,002.00 |
| | Benefit Subtotal | \$ 106,425.00 |

| | | |
|--|------------------------------------|--------------------|
| Total Amount Passed-Through by Contract Agreement | Contract Agreement Subtotal | \$ 2,500.00 |
|--|------------------------------------|--------------------|

| | | |
|---|---|----------------------|
| Total Pass-Through for Fiscal Year | Wage Subtotal + Benefit Subtotal | \$ 228,275.00 |
| Compensation Increase for FY | Passthrough Percentage | 109.75% |

*Describe compensation listed as "Other Fixed or Variable Benefits."

| *Other Fixed or Variable Benefits | |
|-----------------------------------|--------------------|
| Retirement Plan | \$1,500.00 |
| Legal Plan | \$24,000.00 |
| Life Insurance | \$12,002.00 |
| Stock Options | \$7,000.00 |
| Childcare Benefits | \$15,000.00 |
| Fringe Benefits | \$2,500.00 |
| Total Fixed Benefits | \$62,002.00 |

DRAFT REPORTING TOOL



Attestations

Provider Representative
Name

Title

Phone Number

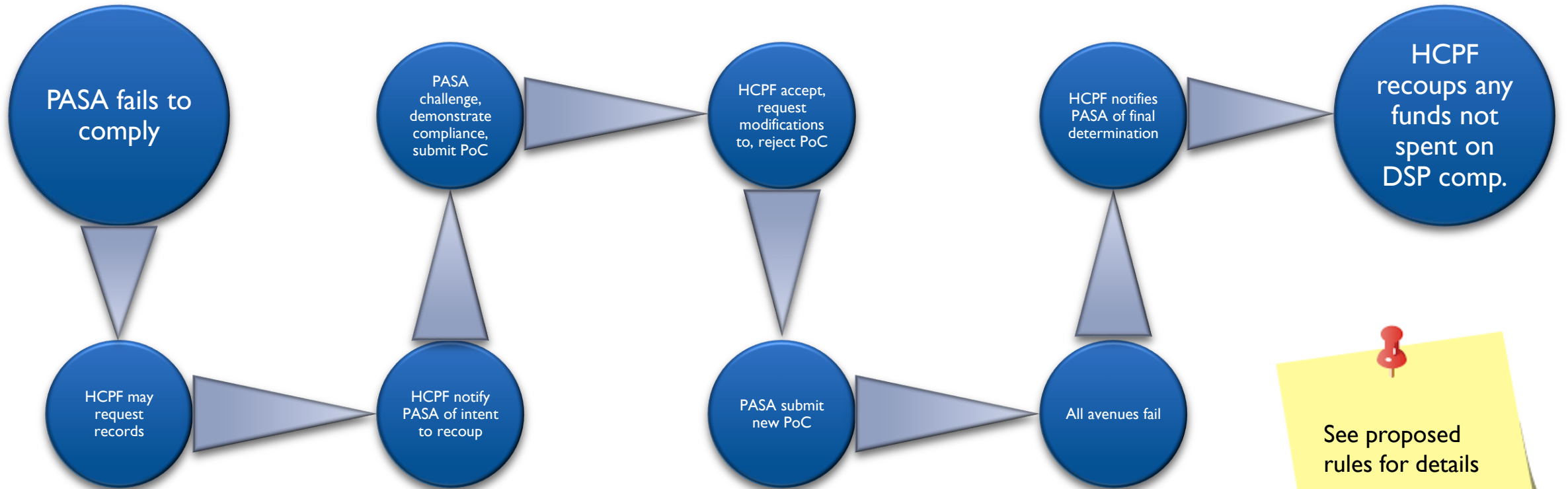
Email Address

FISCAL AGENT: I am the entity's representative who is authorized to sign its financial documents. I certify that the entity is in compliance with Colorado Medical Assistance Act 25.5-6-406. The statements made in this reporting tool are true & correct to the best of my knowledge.

OHCDS: My Community Centered Board acts as an OHCDS pursuant to 10 CCR 2505-10 8.500.11, 8.500.100, and 8.503.110. I certify that the 6.5% increase for Direct Support Professionals has been passed to our contracted providers as required in the Colorado Medical Assistance Act 25.5-6-406.

Date Report Submitted

UNDERSTANDING THE RATE INCREASE: AUDITING & RECOUPMENT



Remaining Implementation Questions:

- How will agencies be allowed to allocate the new funds across different types of DSPs?
 - Our organization doesn't identify employees as DSPs?
 - What about an owner/administrator who also provides direct care?
 - Do I have to give DSPs a 6.5% wage increase?
 - Does each DSP have to receive the same increase in compensation?
 - How do I show an increase for new hires?
 - For DSPs hired after 6/30/18, use the lowest compensation paid to a DSP of similar functions and duties on that date as baseline.
- Can agencies hire new DSPs with these funds?
- Can the increased funding apply to the required increase in minimum wage effective Jan 2019?



Remaining Implementation Questions:

- Are service agencies penalized or rewarded for having a high or low turnover rate?
- Should there be disbursement amounts in every “compensation” category?
- If the agency fails to bill for services at the full rate or use the increased funding, are they subject to reporting and auditing?
- Would a service agency with multiple locations report on all locations in the aggregate or per individual location?
- Will HCPF revise remittance advice for providers?

UNDERSTANDING ADDITIONAL WAIVER RESOURCES



- Law funded 300 *new, non-emergency DD-comp resources* off the top of the waiting list
 - Amount is *related* to expected number of individuals with aging caregivers
 - Not *reserved for* aging caregivers
 - Authorized on July 1, 2018
 - Of these 300 (+ 10 more for turnover):
 - 66 declined
 - 236 accepted
 - 169 have enrolled
 - Remaining awaiting response



NEW RULES TO PREVENT CAREGIVER CRISES

- HCPF must revise rules (and make necessary changes to the DD waiver) to add caregiver concerns to DD emergency criteria
- Predicted 150 additional emergency resources *each year* for these enrollments
- Works just like any other emergency enrollment:
 - Make case managers aware of the situation
 - If meets criteria, case managers will submit requests to HCPF for review
 - If HCPF approves, enrollment process begins



CAREGIVER RULES



- Proposed rules allow enrollment when the primary caregiver:
 - Is no longer in the person's residence to provide care;
 - Is experiencing a chronic, long-term, or life-threatening physical or psychiatric condition that significantly limits the ability to provide care or is otherwise incapacitated;
 - Is 65 or older and providing care poses an imminent risk to the health and welfare of the person or the caregiver;
 - Poses a threat to the health or safety of the person; or
 - Regardless of age and based on the recommendation of a professional, the primary caregiver cannot provide sufficient supervision to ensure the person's health and welfare.
- Changes not related to 1407:
 - Clarifies criteria for emergency enrollment due to homelessness
 - Specifies that people have 30 days to *accept or decline* an offer of enrollment.
 - Can get an additional 30 days upon request
 - Does not set a timeline for the enrollment process

NEXT STEPS



- **This is just the beginning...**
 - We still have about 3,000 people on the DD-comp waiting list and counting
 - We have a long way to go before we will have a stable and sustainable service system

- **How can provider agencies, case management agencies, and community stakeholders continue this momentum?**
 - Implement the elements of this law with fidelity & demonstrate that additional funds can improve lives;
 - Continue to think about long-term solutions that are possible in bite-size pieces;
 - Continue collaborative, grassroots efforts across diverse stakeholder groups;
 - Continue educating legislators;
 - Think creatively about how to tackle large financial costs of serving people with IDD; and
 - PARTICIPATE IN THE UPCOMING NCI STAFF STABILITY SURVEY (another, lesser-known component of HB18-1407)!

SHAMELESS PLUG



- Alliance members enjoy access to full staff support throughout this process
- Assistance from other member agencies with reporting & tracking
- Participate in future planning and legislation for the IDD system
- And much, much more...

- Join us at the Alliance Summit, June 12-14!
 - Request an invitation at: <https://www.alliancecolorado.org/alliance-annual-summit>



For more information on membership, contact Kylie Kampbell at kkampbell@alliancecolorado.org or (303) 832-1618 ext. 12

RESOURCES



- Text of the law: https://leg.colorado.gov/sites/default/files/2018a_1407_signed.pdf
- Proposed rule language expected effective May 2019
 - Rate Increase: https://www.colorado.gov/pacific/sites/default/files/Doc%2007%20MSB%2019-01-02-A%20Reimbursement%20Initial%20-%20Mar%202019_0.pdf
 - Waiting List/Caregiver language: https://www.colorado.gov/pacific/sites/default/files/Doc%2006%20MSB%2018-11-16-A%20Waiting%20List%20Initial%20-%20Mar%202019_0.pdf
- 3/1/19 Rate Schedule: https://www.colorado.gov/pacific/sites/default/files/DD%20SLS%20CES%20March%202018-2019%20Rate%20Schedules%20v4_0.pdf
- HCPF's 1407 FAQ: <https://www.colorado.gov/pacific/sites/default/files/HCPF%20IM%2019-022%20House%20Bill%2018-1407%20-%20Stabilization%20of%20Direct%20Support%20Professional%20Workforce%20Implementation%20FAQ%20%20.pdf>
- Draft reporting tool: <https://www.colorado.gov/pacific/sites/default/files/HB%2018%201407%20Passthrough%20Reporting%20Tool%20-%20DRAFT.pdf>

WE ARE **EAGER** TO HELP YOU MAKE THIS INVESTMENT A **SUCCESS!**

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*Thank
you!*