

# FORVIS™

## Tuesdays at Ten:

# Managing OPWDD Programs

April 18, 2023



IDD & Behavioral Health

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# Meet the Presenters



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# Agenda

## Tuition Rate Waivers for SED Programs

- Introduction
- Managing OPWDD Programs
- Rate Rationalization
- Status of Rate Reform
- Analyze How Rate Reform Might Impact Your Program
- Questions

# Managing OPWDD Programs

- Maintain Occupancy & Utilization Levels
- Ensure Accurate CFR reporting
  - Effect on Reimbursement
  - Ability to analyze program operations
- Monitor cost increase & decreases since base year
- Understand & Evaluate the impact of Rate setting on your program's reimbursement
  - What components of Rate Rationalization help or hurt your organization's reimbursement?
  - How could Rate Reform impact you?

# Rate Rationalization Basics

- Base Year Issues
  - Previously two-year rate cycle
    - Last base years Calendar 2017 & Fiscal June 30, 2018
    - Waiver Amendment to change rebasing cycle
      - *will update cost data within four years from the previous rebase*
    - Items outside of RR rebasing cycle – continuously rebased
      - To/from transportation
      - Vacancy adjustment for Supervised IRAs & ICFs
      - Property

# Rate Rationalization Basics

- Base Year Issues
  - Strategy for spending with no clear base years
    - Spend appropriately
    - Bird in the hand
    - Difficulties in attracting & retaining staff
    - Additional administrative staff positions
    - Impact of the WEF
    - Can you afford to spend more – Cash flow
    - Potential of moving to Regional Rates or Managed Care

# Rate Rationalization Basics

- Basic Reimbursement Structure
  - Quantity reimbursed
    - Direct Care & Clinical hours
  - Price reimbursed
    - WEF adjusted Brick
      - What does WEF mean?
      - What does Brick mean?



# Price Components of Rate Rationalization Rates



# Components of Rate Rationalization Rates

75% Brick is Provider-based

75% Clinical Salary cost per hour

0% Contracted cost per hour

100% Clinical Hours

100% Contracted Clinical Hours

100% Room & Board Costs

- Approved Property costs – PPA (Not what's reported on the CFR)
- IRA – SSI, SNAP, & R&B supplement (Budget Neutrality – Currently 100%, was 88%)

100% Day Hab Transportation

Program Capacity & Units of Service

# Rate Rationalization

- Add-ons or adjustments
  - COLA
  - BF2DC
  - Minimum wage
  - ICF Facility Assessment
  - To/From transportation for Day Hab
  - Vacancy Adjustments – Supervised IRA & ICF
  - Budget Neutrality
  - Facility Costs & Property ICF, Day Hab, & Prevoc in RR rate
  - IRA – R&B paid by SSI, SNAP, & R&B supplement

# How Does CFR Reporting Affect Rate Rationalization?

## PTC Utilized

- Direct vs. Support
  - Housekeeping Maintenance (PTC 102)
- Direct vs. Program Admin
- Clinical vs. Program Admin

## Direct Care & Clinical Staff hours

- Average Salary for Direct Care & Clinical

## Program Administration

- Property reported on line 68d

## Fringes

- Specific utilization
- Percentage of Salary

# How Does CFR Reporting Affect Rate Rationalization?

## Transportation for Day Hab

- Only the amount reported on line 68b
- Actual Cost Captured in program 0670 & 0880
  - Allocation – Reasonable & documented
- Costs of residential & Day Program vehicles & staff used to transport residents to/from day program should be charged to 0670
  - Allocate the time for the staff salaries, fringes, & FTEs
  - Allocate portion of vehicle costs including lease/depreciation, gas, insurance, repairs, & maintenance
  - 100% provider funded from two years earlier

## OTPS

## Room & Board Costs vs. Brick

- Board costs 100% provider
- Brick 75% provider

# How Does CFR Reporting Affect Rate Rationalization?

## Important Statistics

- Unit of service
- Program Capacity
- Staff FTEs
- Vacancy
  - Proposed changes in 2021

## Cost Reimbursed programs – Audits

## CFR Issues Affecting Reimbursement

- Cost Allocations
- Non-allowable costs
- Staff credentials
- Ensure that CFR definition matches job title, job function, & job description of the employee being charged there

# Reimbursed Direct Care Hours

## ICF, Day Hab, & Prevoc

- 100% Provider's Direct Care Hours

## Supervised & Supported IRA

- Between 75% & 90% Providers
- Credibility Adjustment
- DDP Acuity calculation

# Acuity-Based Reimbursement Now & Into the Future

- The Acuity Factor Black Hole

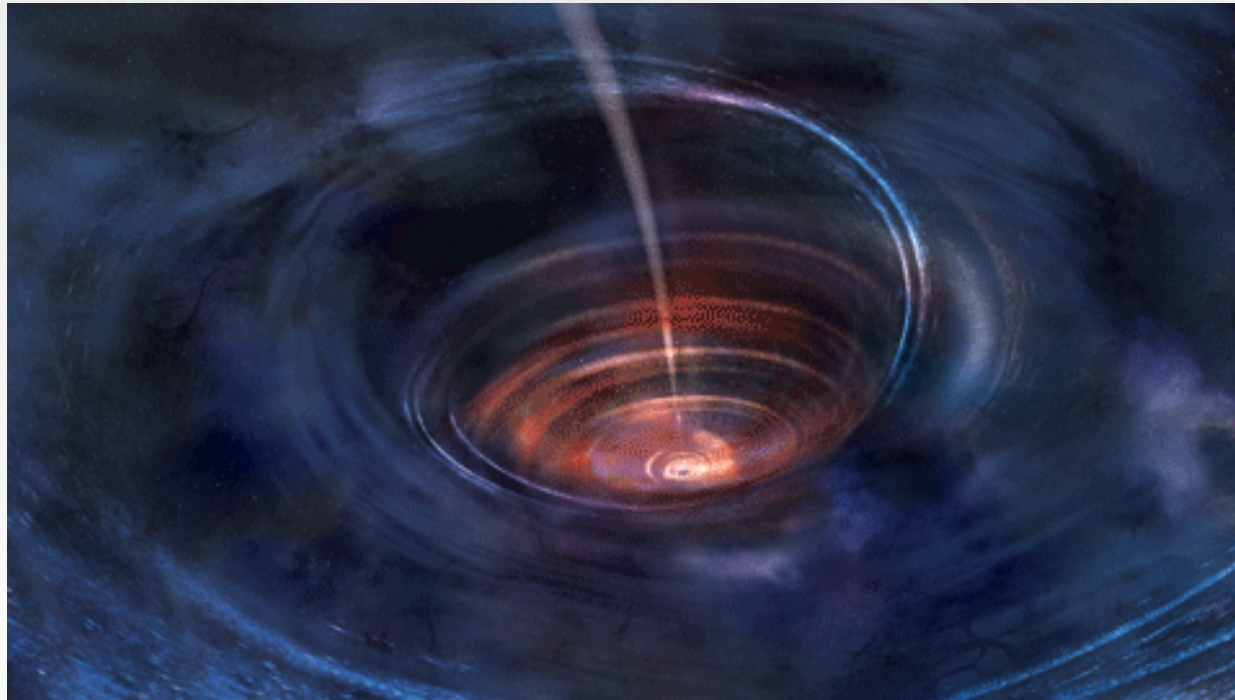


Image Credit: NASA/Swift/Aurore Simonnet, Sonoma State Univ

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# Rate Rationalization Supervised & Supported IRAs

- The Current Acuity Factor Methodology used
  - Lack of transparency
    - DDPs used & the calculation
  - Concern about how well the DDP-2 or CAS will predict actual needs of program participants
  - Credibility Adjustment – Include Provider's Direct Care hours
    - Problem with Staff Vacancies in base years

# Proposed Rate Rationalization Rebasing

- Choosing one of four years
- Using the current methodology
- Issue of contracted direct care staff
- Issue about staff vacancies in the base year
- Issue about transportation
- Issue about spending in pandemic-affected years
  - Budget Neutrality or Corridors

# Potential Impact of Rate Reform

## Regional Rates

- Revised Regions – 5 vs. 3
- Could there still be a WEF adjustment?
- What would be included in Regional component Direct Care vs. Clinical cost
- Impact on providers spending above or below the regional levels

## Acuity Calculation

- Nine Levels of Acuity
  - Determined by CAS
- Determine Direct Care & Clinical reimbursement?
- Impact on all programs
  - Supervised & Supported IRA
  - ICF, Day Hab, & Prevoc

## Room & Board Cost

## Transportation

# Rate Reform

- The future of the Acuity Factors Under Rate Reform
  - Rate Reform deferred until 2025 or 2026
  - Implementation of the CAS
  - How will it impact reimbursement?
    - Group individuals into nine (9) levels of difficulty
    - Calculate hours or reimbursed dollars
      - Direct Care &/or clinical
    - Could the CAS also impact ICF, Day Hab, & Prevoc?
  - Impact on your funding, spending, & staffing levels
  - Problems & delays in scoring of the CAS
  - Problems of using any assessment tool in evaluating staffing needs
  - Will they continue to use a credibility adjustment?

# Questions?

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