# Agenda

Monday, August 19th from 1:00 p.m. to 4:00 p.m. CDT

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>1:00 – 1:10</td>
<td>Introductions</td>
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<tr>
<td>1:10 – 1:30</td>
<td>Project Review</td>
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<tr>
<td>1:30 – 2:30</td>
<td>Data Source Findings &amp; Recommendations</td>
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<tr>
<td>2:30 – 3:30</td>
<td>Approaches</td>
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<td>3:30 – 4:00</td>
<td>Next Steps</td>
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Introductions

CSP Representatives

• Randy Meendering, ED, CFI, – Huron, SD
• Pam Hanna, ED, LifeQuest – Mitchell, SD
• Steve Watkins, CEO, LifeScape – Sioux Falls, SD
• Bob Bohm, ED, DakotAbilities – Sioux Falls, SD
• Brad Saathoff, ED, BHW – Rapid City, SD
• Melony Bertram, ED, CCI – Winner, SD
• Dan Cross, ED, CSPofSD
Introductions

DDD

• Darryl Millner, Director
• Julie Hand, Assistant Director
• Julie Johnson-Dresbach, Transitions Manager
• Liliana Borcea, Financial Program Manager
• Barb Hemmelman, Employment and Community Life Engagement Manager
• Jaze Sollars, Waiver Administrator
• Bianca Villapudua, Program Specialist
Introductions

DHS
- Denice Houlette, Director, DHS B&F
- Greg Evans, Audit Manager, DHS B&F
- Alana Suiter, PR&G Manager, DHS B&F

LRC
- Tami Darnall, Chief Fiscal & Program Analyst
- Sakura Rohleder, Fiscal & Program Analyst

A&M
- Wanda Seiler, Senior Director, Alvarez & Marsal
- David Vince, Manager, Alvarez & Marsal
Project Review: Deliverables

• Review of Data Sources
  o Provider cost reports
  o ICAP
  o Activity logging
  o Special program code
  o Home size

• Rebase & Remodel Project Plan (see handout)

• Background / Recommendations
## Project Review: Timelines

<table>
<thead>
<tr>
<th>SD DDD Rebase Remodel Calendar 8/11/2019</th>
<th>SFY20 July 1, 2019</th>
<th>SFY21 July 1, 2020</th>
<th>SFY22 July 1, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DHS Budget Submission</strong></td>
<td>AUG-SEP ‘19</td>
<td>AUG-SEP ‘20</td>
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<tr>
<td><strong>Legislative Session</strong></td>
<td></td>
<td>JAN-MAR ‘20</td>
<td>JAN-MAR ‘21</td>
</tr>
<tr>
<td><strong>Gather Data</strong></td>
<td>Behavior Risk Screens Residential &amp; Day Staffing Ratios</td>
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<tr>
<td><strong>Rate Setting Contractor</strong></td>
<td>Develop Project Plan Request Contractor Funding Rebase / Remodel FY19 Cost Reports (JUL ‘18 – ‘JUN 19 submitted by JAN ‘20) FY19 ICAP from JAN ‘19 – DEC ‘19</td>
<td></td>
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</tr>
<tr>
<td><strong>Provider Rates</strong></td>
<td>Request Funding</td>
<td>Fiscal Impact</td>
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<tr>
<td><strong>Waiver Amendment</strong></td>
<td>Draft Waiver Amendment</td>
<td>Public Comment Finalize</td>
<td>Submission to CMS</td>
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<tr>
<td><strong>Change Management</strong></td>
<td>System Impact Analysis and Planning</td>
<td>System Updates</td>
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Data Sources: Cost Reports

- Preliminary review of 2018 reports indicates inadequate accounting for non-allowable costs
- Common unallowable costs include but are not limited to (see handout)
  - Room and Board
  - Costs Unrelated to participant care
  - TPL
- Additional analysis of FY18 reports are underway
  - Review of cost allocation methodology
  - % for administration
  - % for employee related expense (ERE)
  - % for program support
  - % of total costs for staffing
  - % of total costs for residential vs. day
  - % of total costs for health care
Cost Report Recommendations

• Use FY19 cost reports for rebase (cost information from July 1, 2018 – June 30, 2019 submitted to DDD by January 31, 2020)

• Rebase may require additional review to ensure appropriate accounting for non-allowable costs

• Considering updates to cost report guidelines prior to data collection for FY21 beginning July 1, 2020
• Preliminary review identified a significant correlation between special rates due to behavioral challenges and maladaptive indices
  • Maladaptive Asocial (Socially Offensive, Uncooperative)
  • Maladaptive External (Hurtful to Other, Destructive, Disruptive)
  • Maladaptive General (All behaviors)
• DDD is considering the addition of a risk assessment to tease out the nuances of serving this population
• Additional analysis is underway
Data Sources: Activity Logging

- Providers and DDD are reluctant to do activity logging
- Systems to support activity logging are obsolete
- Activity logging challenges
  - Labor intensive
  - Validity
  - Reliability
Activity Logging Recommendations

- Consider staffing surveys as an alternative for congregate residential and day settings (see handout)
- Gather data for 3 to 4 weeks from the period of October 1, 2019 – February 28, 2020
- Pilot the residential tool prior to statewide distribution
- Refine the tool for day settings after the residential pilot is complete
## Data Sources: Home Size

<table>
<thead>
<tr>
<th>Provider</th>
<th>Home Size at or below 6</th>
<th>Home Size greater than 6</th>
<th>Proportion at or below 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability Building Services, Inc</td>
<td>39</td>
<td>8</td>
<td>83%</td>
</tr>
<tr>
<td>ADVANCE</td>
<td>0</td>
<td>66</td>
<td>0%</td>
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<tr>
<td>Aspire, Inc.</td>
<td>9</td>
<td>44</td>
<td>17%</td>
</tr>
<tr>
<td>Black Hills Special Services Coop</td>
<td>10</td>
<td>45</td>
<td>18%</td>
</tr>
<tr>
<td>Black Hills Works</td>
<td>81</td>
<td>143</td>
<td>36%</td>
</tr>
<tr>
<td>Community Connections</td>
<td>6</td>
<td>30</td>
<td>17%</td>
</tr>
<tr>
<td>Dakota Milestones</td>
<td>20</td>
<td>8</td>
<td>71%</td>
</tr>
<tr>
<td>DakotAbilities</td>
<td>9</td>
<td>91</td>
<td>9%</td>
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<tr>
<td>Huron Area Center for Independence</td>
<td>21</td>
<td>86</td>
<td>20%</td>
</tr>
<tr>
<td>LifeQuest</td>
<td>33</td>
<td>21</td>
<td>61%</td>
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<tr>
<td>LIVE Center, Inc.</td>
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<td>15</td>
<td>0%</td>
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<tr>
<td>New Horizons - CSP</td>
<td>15</td>
<td>60</td>
<td>20%</td>
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<td>Northern Hills Training Center</td>
<td>15</td>
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<td>OAHE, Inc.</td>
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<tr>
<td>RHD - CSP</td>
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<td>0</td>
<td>100%</td>
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<td>SESDAC, Inc.</td>
<td>23</td>
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<td>40%</td>
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<td>South Dakota Achieve - CSP</td>
<td>88</td>
<td>113</td>
<td>44%</td>
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<td>Southeastern Directions for Life</td>
<td>38</td>
<td>15</td>
<td>72%</td>
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<tr>
<td>Valiant Living</td>
<td>12</td>
<td>15</td>
<td>44%</td>
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<tr>
<td>VOA</td>
<td>74</td>
<td>47</td>
<td>61%</td>
</tr>
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</table>
Data Sources: Home Size

Proportion of Capacity in Homes at or below Target Size, by Provider

- Home Size at or below 6
- Home Size greater than 6
Data: Home Size

State of the States ranks SD 45th among US states and DC; last among Rocky Mountain Region states (http://stateofthestates.org) in people living in settings of 6 or fewer

All States
- Mississippi 35.9%
- Illinois 48.2%
- Louisiana 56.2%
- Oklahoma 58.3%
- Arkansas 60%
- Alabama 67.0%
- South Dakota 67.7%

Rocky Mountain Region
- South Dakota 67.7%
- North Dakota 69.6%
- Utah 70.7%
- Montana 71.8%
- Wyoming 92.2%
- Colorado 95.9%
Home Size Recommendations

- Rebase must consider costs of downsizing large congregate residential settings.
- Work to decrease home size and elimination of sheltered workshops should be initiated as soon as possible.
Other Data Sources

- Discontinue
  - Geographical differences captured by “economic factors”
  - Age
- Rebase must anticipate the intensive needs of children in specialized programs
- Need to reconfigure payments for other medical services
- Special rates constitute almost 15% of Choices waiver billing
Approach

• Value base purchasing
  • Typically focuses on outcomes rather than compliance data
  • CQL sample size is not large enough
• Contrast value-based purchasing with benchmark/milestone payments
  • Job Discovery
  • Job Development
  • Job Customization
  • Ongoing Job Supports
Approach

• Regulatory Compliance
  • Bundled payments
  • Day Services
  • Choice
Approach

- Rebase
  - Determine the cost of service
  - Review and refine service definitions
  - Add waiver services?
- Remodel
  - How services are authorized, billed and paid
  - 1915(b)(c) combo allows a bundled rate to a provider
  - Changes to ensure compliance will require significant administrative effort
Approach

IF YOU CHANGE NOTHING, NOTHING WILL CHANGE.

thingsweforget.blogspot.com
Next Steps

• Finalize Workplan
• Draft Background/Findings/Recommendations Document
• Executive Review
• Rebase Workgroup Review
• Schedule next meeting