

SB147 Provider Subgroup Meeting
September 7, 2017
State Library, Mackay Building

Present: Steven Novotny, Homecare Services of SD; Matt Cain, Independent Living Choices; Sandra Dieleman, Avera at Home; Marcy Ramsey, Philip Home Health; Lisa Schaefer, New Hope Adult Day/Bethel, Madison via phone; Eric Weiss, Department of Human Services (DHS), Division of Vocational Rehabilitation DVR); Jennifer Geuther, DHS ADLS Waiver Program Manager, Becky Blume, DHS, DVR; Denice Houlette, DHS, Budget and Finance Director; Amanda Van Balen, DHS, Management Analyst; Darin Ries, DHS, Accounting Manager; Beth Dokken, DHS, Deputy Division Director, Long Term Services and Supports (LTSS); Jim Severson, DHS Program Specialist, LTSS; Yvette Thomas, DHS, Director LTSS.

Yvette Thomas opening the meeting at 1:00; members were asked to introduce themselves to the group. A telephone line was established for call in members.

Thomas provided an overview and background of Senate Bill 147, the purpose of the workgroup and process to date. Handouts were provided to participants regarding the Consensus Framework, Schedule for Review and Reporting Tool that were developed by the Steering Committee. With no questions regarding the process to date, the meeting moved to the next phase.

Denice Houlette provided an overview of the historical rate setting methodology for the nursing and homemaker services, including the submission of cost reports by providers. There was some discussion regarding cost reports, including that the preparation of the cost report is an additional cost incurred by the provider. Amanda Van Balen shared her process for reviewing the cost reports and reported that although there were some outliers, they were generally comparable. Van Balen described her efforts to follow up on inadequately completed cost reports, and missing cost reports. Approximately 11 providers had not completed cost reports. The Assistive Daily Living Services (ADLS) waiver also has a specific requirement of providers to complete an external cost report.

Questions regarding cost reports:

- Is there a penalty for not submitting a cost report? Although it is listed as a requirement in the contract process, no penalties have been imposed to date.
- The current methodology results in reimbursement that is based on incurred costs from the previous year, how do you capture costs that are not incurred – for example if a provider can't provide services in rural areas due to the extensive travel not being covered in the current reimbursement, that potential incurred cost isn't included and helps create a barrier for future service.

Ideas for rates included a mileage add on, a travel add on, acuity level, a rural vs urban rate and rate tiers. DHS Finance explained there will be no mileage for nursing in 2018 as the mileage has been built into the rate. There is a mileage portion on the cost report, but most providers leave it blank.

There was discussion around the concept of a rural rate, concerns and suggestions include:

- Rate should be based more on where the person lives;
- Case managers should have some sort of approval on rate enhancement for travel;
- Differentials should include requiring providers to serve entire area, not just within city limits.
- Differentials could be useful in ensuring people in hard to serve areas are provided services.
- Contracts are signed for each provider; providers wonder if it is possible to be paid more for covering an underserved area.

Discussion led into the suggestions for considering an enhancement based on acuity:

- Suggestion to use assessment similar to MDS in nursing home to determine a rate for in-home services;
- Suggestion to consider an enhanced rate for individuals with behavior issues which require additional personnel or special training.

Providers need to be able to offer a competitive wage to attract and retain caregivers. Patients who are more difficult to care for tend to wear out agency staff.

There was also discussion regarding payment rates for Registered Nurses versus Licensed Practical Nurses. Currently DHS pays one nursing rate under the waiver. Medicaid pays a separate rate for RN versus LPN. Providers report that they hire whatever nurses are available and paying them at a separate rate would be burdensome, as they send the nurse that is available; they don't schedule by RN versus LPN. Providers feel that it is their responsibility to make sure the nursing level is appropriate for the care to be provided.

Marcy Ramsey shared perspective on the impact of medication management as a nursing service that makes a huge difference in keeping people safely at home. Sandi Dieleman shared the perspective that cost avoidance is key; the State needs to incentivize providers to serve people in hard to serve areas as the key to long term cost avoidance of nursing facility admission and care expenses.

There was also discussion about a rate differential between homemaker tasks and personal care tasks. Providers report that although the methodology assumes it is the same personnel, they have workers who will do homemaking tasks, but are not comfortable with personal care tasks. Providers have made agency decisions to reimburse employees at a higher rate for personal care tasks.

In general, the members were in consensus that the rate methodology was good with a few potential suggestions as indicated.

Houlette walked members through the methodology review for Nutrition Services. There were no questions and no discussion.

Houlette continued with the review of adult day services. Jim Severson provided some additional data and information on the calculation of rates for those individuals being serviced under Older Americans Act grant programs and waiver services. Under Older American Act grant programs, the total reimbursement includes participant donations and required facility cash match from fund raising. This additional reimbursement isn't available for services provided under Waiver programs and may require a reconsideration of the methodology.

Lisa Schaefer shared that participation has been decreasing at the New Hope Adult Day Center. Schaefer considered the methodology to be okay, saying her agency typically breaks even on adult day and as a non-profit, that is their goal. Her agency has primarily grant-based services. Aggressive behavior and dementia related issues can be the reason a person can't be served in adult day as their staffing ratio isn't designed to handle a lot of individual care needs. If rate tiering was incorporated into the Adult Day rate, Schaefer indicated New Hope would likely be able to retain individuals longer within the Adult Day setting rather than having to admit to a nursing facility.

Eric Weiss closed the meeting by asking members to share additional thoughts and a take-away from the meeting:

- Ensure providers serve the entire territory;
- Would appreciate knowing the process by which cost reports become public record.
- It is important to take into account the location of the person served and the acuity of the disability in the methodology;
- Medication management is a cost effective home and community based service and imperative to maintaining overall health;
- Cost avoidance is key; need to create incentives to serve people at home in hard to serve areas in order to avoid more expensive care later in life.

Meeting adjourned at 3:30