

**South Dakota DHS and Guidehouse
DD Rate Setting
Rate Methodology Workgroup Meeting
June 24, 2021**

Attendees

- **Provider Representatives:** Dan Cross, Brad Saathoff, Jennifer Gray, John Hackett, Julie Peterson, Kristin Kline, Mel Bertram, Nathan Stallinga, Pam Hanna, Sandra Lee, Shirley Halverson, Steve Watkins
- **State Representatives:** Alana Suiter, Barb Hemmelman, Jamie Morris, Jaze Sollars, Joey Younie, Julie Hand, Liliana Borcea, Sam Hynes
- **Guidehouse:** Andrew Vidikan, Dennis Finnegan, Jeff Moor, Poorna Suresh

Agenda

1. Welcome and Introductions

Meeting Discussion:

- a. Provider representatives and State representatives introduced themselves
- b. Guidehouse team provided introduction and insights into experience with DD rate setting projects

2. Operating Guidelines and Goals

Meeting Discussion:

- a. Reviewed DHS's rate setting goals and provider representatives shared the following goals (not exhaustive):
 - i. Identify appropriate wages and true costs for service delivery
 - ii. Identify and address gaps in the current reimbursement model
 - iii. Develop rates that account for additional supports (e.g., maintenance, transportation, administrative, etc.)
 - iv. Provide rate structure that reflects the varying needs of participants and types of employment
 - v. Account for workforce challenges (e.g., administrative burden on support staff)
 - vi. Align intra-state and inter-waiver service and rate provisions
 - vii. Develop a rate structure and methodology that is compliant with CMS requirements
- b. Discussed the Independent Rate-Build Up Approach
 - i. Explore transitioning away from the current A3 model to an independent rate build-up approach
 - Some provider representatives expressed that providers are open to moving away from A3, depending on the new model, its effect on reimbursement, and administrative burden
 - State representative discussed how there are certain fundamental aspects of the A3 model that must be addressed for CMS compliance
 - ii. Ability to develop individual factors that are reflective of provider costs and how services are delivered
 - Guidehouse provided additional insights into the ability to account for provider costs through a rate build up approach
 - Potential to account for certain elements of the A3 model in a new model that is CMS compliant
 - iii. Reviewed the role of the workgroup in assisting with rate modeling processes

3. Work Plan and Timeline

Meeting Discussion:

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- a. Discussed accelerated project timeline and the final report's deadline of November 30, 2021
- b. Annual Report will outline the Workgroup's recommendations and decisions, and offer rationale for the final rate methodology

4. Next Steps

Meeting Discussion:

- a. Rate Methodology Workgroup
 - i. Provide subject matter expertise on survey development
 - ii. Prepare stakeholders for provider survey
- b. Guidehouse
 - i. Schedule monthly Rate Methodology Workgroup meetings
 - ii. Work with Rate Methodology Workgroup on survey design
 - iii. Conduct research of other states' services and reimbursement methodologies

5. Questions and Answers