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WELCOME TPA MEMBERS!



Membership Meeting

SEPTEMBER 29, 2023





TPA Updates

- Center for Healthcare Solutions Annual Showcase
November 2, 9am – 3pm
 - Free for TPA Members – Meeting Agenda and Breakout Sessions TBD
- ShareSource Group Purchasing Organization (GPO) Opportunities for Members
- Collaboration with PA ID/A Associations
 - Immediate ID/A Rate Update Ordered by Governor Shapiro
 - 2023 ID/A Workforce Survey

Annual Healthcare Solutions Showcase

THURSDAY, NOVEMBER 2, 9:00 AM – 3:00 PM



Group Purchasing Organization for TPA Members



ShareSource

Efficient, Effective
Purchasing Solutions



TPA Updates

- Collaboration with PA ID/A Associations
 - Immediate ID/A Rate Update Ordered by Governor Shapiro
 - 2023 ID/A Workforce Survey
 - 46 Positions
 - 70 Provider Responses
 - Wage, Turnover, Vacancy
 - Tenure, Credentialing, CBA, Retention Pay, Differentials, Contract Staffing, Overtime
 - Expected Publication October 6



ODP Policy Updates

- ODP Announcement 23-076 Annual Submittal of Audited Financial Statements
- Latest Developments on Selective Contracting
- Other ODP News & Announcements

ODP 23-076, Annual Submittal of Audited Financial Statements



Lisa Ritter

Partner

Maher Duessel

Rick Smith

Director

Financial Management
& Program Support

ODP

Rick Smith

ODP Updates

TPA

September 29, 2023

23-076 Annual Submittal of Financial Statements

At this time, there are NO new audit requirements

- Providers simply need to submit existing information by 12/31 (for FYE 6/30/23)
- Only applies to Residential providers and SCO's
- Will help inform Selective Contracting development
- Submit best available information such as single audit (9 months), bank audit, CPA reviewed financials, 990, internally prepared financial statements (Profit & Loss, Balance Sheet, Cash Flow Statement)
- Announcement provided qPro link to submit *.pdf
- Anticipate 6 months will be lowered, but not to 2 months

ODP 23-076, Annual Submittal of Audited Financial Statements



Annual Submittal of Audited Financial Statements

ODP Announcement 23-076

ACTION REQUIRED:

Following the Centers for Medicare and Medicaid Services' (CMS) approval, providers of residential habilitation, supported living, lifesharing and supports coordination services will be required to provide a *pdf file of their audited financial statements.

In the most recent waiver amendment submissions, ODP added a requirement that all qualified residential providers and supports coordination organizations (SCOs) must submit audited financial statements on an annual basis.

Since this will be a new requirement, providers and SCOs will be given six months after the end of their fiscal year to make the initial submission. For example, if the provider's fiscal year ended on 6/30/2023, their financial statements must be submitted by 12/31/2023. It is anticipated that ODP will be reducing this time period in subsequent years to closer to 2 months (which is typical for public companies).

Waivers Impacted	Appendix	Waiver Section	Recommended Revised Language	Reason for Change
			<p>typically be provided as part of the Life Sharing service. Remote supports is built into the Life Sharing rate & cannot be authorized as a separate service in the service plan. Requirements for the delivery of remote supports as part of the Life Sharing service are in the Main Module- Additional Needed Information (Optional) section of this waiver.</p> <p>The following services may not be authorized for participants who receive Life Sharing/Residential Habilitation/Supported Living services: Homemaker/Chore; In-Home and Community Supports; Family/Caregiver Training and Support; Remote Supports; and Consultative Nutritional Services.</p>	<p>as a method of residential service delivery.</p>
<p>Consolidated and Community Living Waivers</p>	<p>C-1/C-3</p>	<p>Residential Habilitation, Life Sharing, and Supported Living</p>	<p><i>Provider Qualifications for providers rendering Residential Habilitation, Life Sharing or Supported Living</i></p> <p>Agencies must meet the following standards:</p> <ol style="list-style-type: none"> 1. Have a waiver service location in Pennsylvania. 2. Actively provided direct non-residential HCBS as a provider enrolled to provide ODP Waiver services for the two years prior to enrolling to provide Residential Habilitation, Life Sharing, or Supported Living and be in good standing (not subject to sanctions or enforcement actions by the Department). 3. Annually submit to ODP the most recent financial statement that has been audited by an independent Certified Public Accountant. 	<p>Supporting participants through residential services can be complex and dynamic. Providing Residential Habilitation, Life Sharing or Supported Living services requires a provider to be prepared to meet the needs of each participant supported and initiate and participate in ongoing planning and support to facilitate each participant's vision for an Everyday Life. ODP gathered residential providers across Pennsylvania that provide high quality services to obtain input and feedback about their operations which</p>

ODP 23-076, Annual Submittal of Audited Financial Statements



Annual Submittal of Audited Financial Statements

ODP Announcement 23-076

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ODP 23-071

Targeted Service Recovery and Expansion Supplemental Payments



Proposed Waiver Amendment - Supplemental Payments for Recovery & Service Expansion: Community Participation Supports

Tiered one-time supplemental payments will be available based on provider recovery or expansion status as of June 2023 in the following amounts:

Standard for payment eligibility	Payment Amount Per Individual Receiving CPS
Providers exceeding pre-pandemic service capacity*	\$2,500
Providers achieving 75-100% of pre-pandemic capacity	\$1,500
Providers achieving 50-75% of pre-pandemic capacity	\$1,000
Providers achieving under 50% of pre-pandemic capacity	\$ 500

*Provider recovery or expansion status is determined by comparing the provider's pre-pandemic number of program participants (discrete participants in service during FY 2019/2020 with the number of participants in service during FY 2022/2023).

ODP 23-071

Targeted Service Recovery and Expansion Supplemental Payments



DISCUSSION:

Eligible providers who are interested in receiving these supplemental payments must complete the attached application and return it to Rick Smith at riesmit@pa.gov by September 30, 2023. For additional information please refer to [ODPANN 23-001 Update](#) and the [November 2023 proposed Waiver amendment submission to CMS](#).

Note: The funding formulas for CPS supplemental payments are pending Centers for Medicare and Medicaid Services (CMS) approval, therefore, the CPS supplemental payments will not be issued until after CMS approval is received.

Provider Name:

MPI:

Contact Name:

Email:

CPS Providers:

Total number of unique individuals who received waiver funded (Consolidated, P/FDS and Community Living) CPS from your agency during fiscal year 19/20

Total number of unique individuals who received waiver funded (Consolidated, P/FDS and Community Living) CPS from your agency during fiscal year 22/23

Employment Service Provider:

Total number of unique individuals who received waiver funded (Consolidated, P/FDS and Community Living) Employment Services from your agency during fiscal year 19/20

Total number of unique individuals who received waiver funded (Consolidated, P/FDS and Community Living) Employment Services from your agency during fiscal year 22/23

Supports Coordination Organizations:

Total number of unique individuals who received ODP funded (Base, TSM, Consolidated, P/FDS and Community Living) Supports Coordination from your agency during the first six months of fiscal year 22/23 (July 1, 2022 to December 31, 2022)

Total number of unique individuals who received ODP funded (Base, TSM, Consolidated, P/FDS and Community Living) Supports Coordination from your agency during the second six months of fiscal year 22/23 (January 1, 2023 to June 30, 2023)

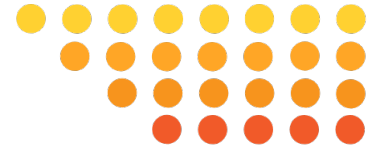


Selective Contracting

1. Background
2. Latest Developments
3. Next Steps

SELECTIVE CONTRACTING RESIDENTIAL AND SUPPORTS COORDINATION SERVICES CONCEPT PAPER





Selective Contracting

ODP Announcement 23-043:

Open for Public Comment: Concept Paper on Selective Contracting for Residential and Supports Coordination Services

May 24, 2023

ODP intends to change the way providers are enrolled, qualified, and paid to deliver the following services through selective contracting:

- Residential Habilitation, Supported Living, and Life Sharing in Consolidated and CLW
- Supports Coordination in Consolidated, CLW, P/FDS
- Targeted Support Management in the Medicaid State Plan



Selective Contracting

ODP Announcement 23-043:

Open for Public Comment: Concept Paper on Selective Contracting for Residential and Supports Coordination Services

May 24, 2023

Selective Contracting allows ODP to improve the quality of these services by:

- Moving beyond contracting with any willing and qualified provider and instead requiring providers to meet specific criteria set by ODP.
- Developing a class of “preferred providers” using new performance standards that align with *Everyday Lives*.
- Aligning payment with outcomes.

Selective Contracting Concept Paper



Stated Goals:

1. Sustainability and Improving Service Quality
2. Implement Strategies to Support Workforce

ODP will know selective contracting has improved the quality of services when individuals and families are more satisfied with Residential Services and Supports Coordination.



Selective Contracting



Selective Contracting

- Selective Contracting Concept Paper public comment period ended 7/10/2023
- Residential Strategic Thinking Group (RSTG) meetings scheduled through September
- Surveys: ODP will be publishing a survey to assist in developing performance measures and baselines
- Proposed Waiver and Waiver Amendments for Public Comment: ODP will publish the 1915(b)(4) application and any accompanying 1915(c) amendments for public comment prior to submitting to CMS



1915(b)(4) Waiver

1. Managed Care Waiver
2. Fee for Service Alternatives
3. Pay for Performance
4. Selective Contracting vs. Every Willing and Qualified Provider





Selective Contracting



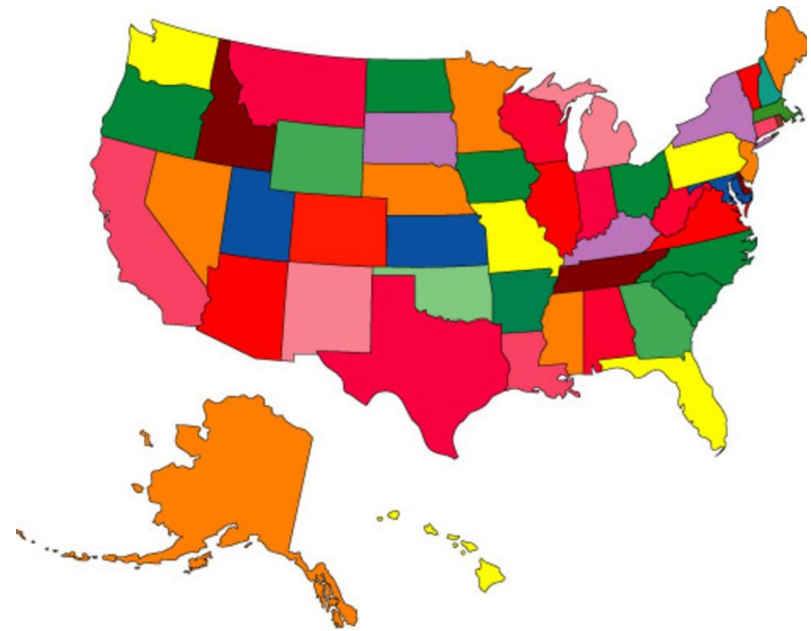
Updates to Selective Contracting Proposal

- Timeline Adjusted – Residential implementation January 1, 2025
- Preferred Tier – Two Paths to Obtain Preferred Status
 - 2 of 3 Services Provided During the Review Period
 - Meet Clinically Enhanced Standards
- Workforce
 - Credentialing will not apply to Lifesharing
 - Front-line supervisors added to turnover standards
- Details Added to Standards, Measures, and Tiers
- Name change for data analytics vendor to “Performance Analysis Services”
- Added performance standards
 - Community Integration
 - Participant Involvement in Advisory and/or Boards
 - Social Justice/Cultural Competency
 - Wellness activities



Selective Contracting

1. Arizona
2. Florida
3. Louisiana
4. North Carolina
5. Texas



Implications for Stakeholders



1. Access
2. Quality
3. Choice
4. Improvement



Implications for Organizations



1. Readiness
2. Agility
3. Culture
4. Solvency





Rate Setting Process

1. Regulatory Standards
2. Strategy
3. Recommendations



§ 6100.571. Fee schedule rates.

(a) The Department will establish fee schedule rates, based on the factors in subsection (b), using a market-based approach so that payments are consistent with efficiency, economy and quality of care and sufficient to enlist enough providers so that services are available to at least the extent that such services are available to the general population in the geographic area.

(b) In establishing the fee schedule rates in subsection (a), the Department will examine and use data relating to the following factors:

- (1) The service needs of the individuals.
- (2) Staff wages, including education, experience, licensure requirements and certification requirements.
- (3) Staff-related expenses, including benefits, training, recruitment and supervision.
- (4) *Productivity*. Productivity is the amount of service delivered relative to the level of staffing provided.
- (5) *Occupancy*. Occupancy is the cost related to occupying a space, including rent, taxes, insurance, depreciation and amortization expenses.
- (6) Direct and indirect program and administration-related expenses.
- (7) Geographic costs based on the location where the HCBS is provided.
- (8) Federally-approved HCBS definitions in the waiver and determinations made about cost components that reflect reasonable and necessary costs related to the delivery of each HCBS.
- (9) The cost of implementing applicable Federal and State statutes and regulations and local ordinances.
- (10) Other factors that impact costs.

(c) The Department will update the data used in subsection (b) at least every 3 years.

(d) The Department will publish a description of its rate setting methodology used in subsection (a) as a notice in the *Pennsylvania Bulletin* for public review and comment. The description will include a discussion of the use of the factors in subsection (b) to establish the fee schedule rates; a discussion of the data and data sources used; and the fee schedule rates.

(e) The Department will make available to the public a summary of the public comments received in response to the notice in subsection (d) and the Department's response to the public comments.



Pennsylvania Advocates and Resources
for Autism and Intellectual Disabilities



August 24, 2023

Kristin Ahrens, Deputy Secretary
Department of Human Services
Office of Developmental Programs
625 Forster Street
Harrisburg, PA 17120

Subject: Request to Immediately Initiate Fee Schedule Rate Update

Deputy Secretary Ahrens,

We are writing to request an independent evaluation to update the data used to develop ODP's fee schedule rates in accordance with chapter 6100.571 regulation be initiated immediately. The urgency of our request is based upon the understanding that a rate analysis will require 90 days to complete and recognition that a substantial investment in rates will require credible data and analysis to be provided to the Commonwealth's Budget Office in advance of the Governor's next Executive Budget.



Pennsylvania Advocates and Resources
for Autism and Intellectual Disabilities



Thank you for your consideration of this request and we look forward to your response. We would welcome the opportunity to meet with you to further discuss should you have any questions or concerns.

Sincerely,

Cherie Brummans
Executive Director
The Alliance CSP

Sherri Landis
Executive Director
The Arc of Pennsylvania

Diane Conway
CEO
MAX Association

Mark Davis
President & CEO
PAR

Patrick DeMico
Executive Director
The Provider Alliance

Richard S. Edley, Ph.D.
President and CEO
RCPA

Rate Setting Recommendations



1. Discounting of Previous Fee Schedule Investment

The investment resulting from the previous rate review conducted by Mercer Consulting in 2021 for rates effective January 1, 2022 was discounted to the amount of available American Rescue Plan Act (ARPA) funds allocated to ODP (\$400M) and assumptions were revised accordingly. [ODP] must include all ten required elements identified within Title 55, Chapter 6100.571(b) necessary to sustain the community system, trend all rates using available inflation data, and account for the impact of inflation going forward.

Rate Setting Recommendations



2. Adoption of the 25th Percentile

For the majority of services Mercer used the 25th percentile to establish lower bound wages. As noted in published residential rate assumptions this equates to an hourly wage of \$14.78 for DSP with High School Diploma, which includes an overtime factor of 5% and is based on the Philadelphia minimum wage of \$14.25 ($.75 \text{ Full-Time} \times .05 \text{ Overtime} = .0375 \text{ Overtime Factor}$; $\$14.25 \times 1.0375 = \14.78). For all CPS services this hourly wage is \$15.00.

To promote the desired quality and sustainability expressed by ODP and supported by stakeholders across the ID/A community system, rates should always be set above the 50th percentile.

Rate Setting Recommendations



3. Use of Federal Wage Data from US Department of Labor, Bureau of Labor Statistics (BLS)

In the 2021 rate review BLS Standard Occupational Classification (SOC) codes and weightings were used to replicate DSP wages in fee development. The SOC codes and titles previously applied to the DSP position for Residential Services were,

21-1093	Social and Human Services Assistants
31-1133	Psychiatric Aides

Updating these same codes using the May 2022 published report yields the following,

	<u>Average Wage</u>	<u>50th percentile</u>	<u>75th percentile</u>
21-1093	\$20.00	\$18.52	\$22.66
31-1133	\$18.57	\$17.86	\$22.27

Rate Setting Recommendations



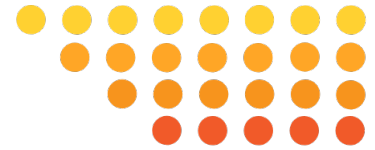
4. Inflation

Mercer previously analyzed published wage data from May 2020 and trended forward to January 1, 2022 by a factor of 3.5%. Actual inflation over that same period (May 2020 through December 2021) was 8.74%. Updating CPI-U data through August 2023 cumulative inflation since May 2020 is now 19.75%.

It should then ensure that rates are adjusted annually thereafter by applying the CPI-U factor in each subsequent year rates remain effective. This is consistent with currently proposed legislation in PA Senate Bill 684 and PA House Bill 661.

CPI-U is the appropriate cost of living index to ensure wages keep pace with the increased cost of goods and services and is the same index proposed in Executive Order 2016-02 as amended January 25, 2022 to index the proposed Pennsylvania minimum wage and the wages of all government contractors.

Rate Setting Recommendations



5. Overtime, Replacement Cost, and Vacancy Management,

Current ODP rate assumptions cite replacement costs identifying a 24% staff turnover rate, 7-10 training days, 3 new hire training days, 10-25 PTO days, and 11 federal holidays per year, per employee. The 5% overtime factor adopted by ODP in current rate and wage assumptions does not sufficiently cover these replacement cost assumptions.

Currently proposed federal legislation would increase the exemption threshold to \$55,068, which would significantly impact provider costs for supervisory positions currently classified as exempt, and similarly impact current rate assumptions even under the current ODP interpretation.

A current analysis of the PA ID/A workforce must be used to ensure actuarially sound wage and workforce data are applied in the development of wage, overtime, and replacement cost assumptions.

Rate Setting Recommendations



6. Equitable Distribution of Investment into Rates

The impact on individual rates based on the previous investment varied by percentage from 0.9% to 36.26%. The use of ARPA funds in the previous rate adjustment required that no fee schedule rates could be reduced.

ODP must equitably apply a market-based rate increase to all services that require DSPs to deliver care and support. As noted in the inflation section of these recommendations, every rate should receive at least an adjustment commensurate with accumulated inflation.

Rate Setting Recommendations

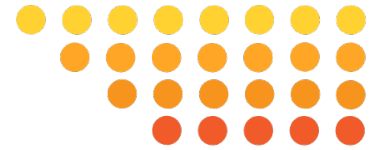


7. Racial and Social Equity

A recent study on the composition of the PA community DSP workforce indicated that it is 72% female and 34% Black or African American (NCI IDD 2020 Staff Stability Report, HSRI/NASDDDS). Each of these measures represents a disproportionately high level within our workforce compared to mean job data for other industries.

By setting community rates at the 25th percentile while paying its own ID workers a higher rate of pay through its collective bargaining agreement, the state is institutionalizing lower pay for these racial and demographic groups, using the same federal matching dollars to serve the same population at its state owned and operated facilities.

Rate Setting Recommendations



8. Health Insurance

The rate assumption for health Insurance monthly expense was reduced from \$617 per month in the 2017-18 fee schedule rate assumptions to \$571 per month for the current fee schedule rates effective January 1, 2022. The need to invest in DSP wages has required many organizations to significantly reduce benefit plans and charge higher deductibles and co-payments to their employees.

Rate assumptions should use insurance industry data to model an equitable benefit plan design to determine its cost using the required market-based approach. It should also include among its data sources the cost of benefits the state pays for its own workers in similar positions.

Rate Setting Recommendations



9. Administration

Administrative cost included in all rates was set by formula at 10% of the program expenses defined in rate assumptions. This factor does not consider the complexity of Medicaid HCBS programs, or the state and local requirements imposed on providers.

A complete analysis of the requirements, time, and costs to administer the HCBS Medicaid program in PA should be undertaken as part of the rate review and fee development process. Once a full analysis has been completed the reasonable cost of these functions should be accurately captured and reflected in rates versus the adoption of a standard administrative factor.

Rate Setting Recommendations



10. Supporting People with Complex Needs

Most people with complex needs require 24-hour care and many are served in a licensed residential setting. In the previous rate update the average rate increase for residential habilitation for needs group 4 (NG4), the highest acuity-based rate level on the ODP fee schedule, was 8.75%, which was below the average percentage investment in rates overall.

Assumptions, cost estimates, and investment into rates must include all requirements and the array of specialty supports necessary to support people with complex needs.

Rate Setting Recommendations



11. Waiting List

Currently 12,880 people, representing every county in this Commonwealth, need intellectual disability services that they are unable to receive at this time (pawaitinglistcampaign.org). Only through building sufficient system capacity can the waiting list be eliminated.

In the recent closure of the PA State Center located at White Haven all residents were transferred to the remaining State Centers, where wages are higher than in community ID/A services also funded by the state. A comprehensive plan must be developed to build the necessary community service capacity to support every individual and family in need.

Rate Setting Recommendations



12. System Simplification

Pennsylvania and the related Medicaid authority governing HCBS programs require comprehensive administrative functions to support licensing, risk management, compliance, electronic visit verification (EVV), quality assessment and improvement (QA&I), incident management, regular assessments using the health risk screening tool (HRST) and supports intensity scale (SIS), coordination with physical and behavioral health systems, and many other regulatory and program policy mandates.

Broad mandates beyond basic health and welfare result in higher costs to the system and those who must operate within it. Eliminating non-essential and duplicative requirements will result in administrative savings that organizations can reinvest into services to produce better outcomes for individuals.

Rate Setting Recommendations



13. Technology & Innovation

Existing technologies and databases should be leveraged for their potential benefits to ID/A services and the individuals who receive them. On an individual basis reimbursement policy should promote the adoption of assistive and enabling technologies. Rates should support and incentivize people and organizations to adopt a technology-first approach and philosophy to promote more individualized care and greater independence.

Similarly, innovative practices among providers and families should be encouraged and incentivized to deliver care in a safe and supportive environment that respects individual needs and preferences.

Rate Setting Recommendations



14. Immediate Implementation of Rate Update

In June of this year PA House Bill 611 reduced the Intellectual Disabilities Community Waiver Programs line item of the proposed PA budget in the current fiscal year by \$170 million. With federal matching dollars this translates to \$370 million which could have been used to fund fee schedule rate increases in this fiscal year.

Economically, the reimbursement rates for ID/A services are lagging behind inflation by 15.25% and fall farther behind each month. An immediate rate increase is needed. After the necessary amount of investment has been determined rates should be increased immediately, retroactive to July 1, 2023.

Rate Setting Recommendations



These recommendations are intended to inform discussion and dialogue with the Office of Developmental Programs and among all stakeholders and others invested in the success of the ID/A community. We recognize this is not an exhaustive list of issues regarding rates and the rate setting process and encourage all stakeholders to advocate and provide comments directly to address their specific concerns. In summary, it is essential in the current rate review that the Commonwealth:

- Conducts a full market-based analysis to update rates as required under regulation.
- Fully invests in fee schedule rates based on economic data and its stated goals.
- Ensures rates are adjusted for inflation going forward.
- Implements updated rates retroactively to July 1, 2023.

ANCOR Advocacy & Federal Updates



Lydia Dawson

Senior Director of Government Relations
American Network of Community Options
and Resources (ANCOR)

ANCOR Advocacy & Federal Updates



- Proposed Overtime Rule
- Recognizing the Role of Direct Support Professionals Act to Establish Unique SOC Code
- Ensuring Access to Medicaid Services, HCBS Payment Adequacy Provision



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