

# SB147 PROVIDER RATE METHODOLOGY WORKGROUP

The Department of Social Services and the Department of Human Services worked together to address Senate Bill 147 by establishing a rate setting methodology process for services delivered by community-based health and human services providers.

A steering committee was created which was comprised of high level leadership from the community-based service providers and the departments that will facilitate the rate modeling analysis

The steering committee developed a consensus document to outline and guide the work of the steering committee

# STEERING COMMITTEE MEMBERS

## Providers:

Anne McFarland, Chief Executive Officer, Lifescape

Betty Oldenkamp, President/Chief Executive Officer, Lutheran Social Services

Sheila Weber, Vice President of Children & Youth Services, Lutheran Social Services

## Organizations:

Dan Cross, Executive Director, Community Support Providers of South Dakota

Terry Dosch, Executive Director, South Dakota Council of Mental Health Centers and South Dakota Substance Abuse Directors

Gilbert Johnson, Vice President, Business Development, South Dakota Association of Healthcare

# STEERING COMMITTEE MEMBERS CONTINUED

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## **State Staff:**

Kim Malsam-Rysdon, Senior Advisor to the Governor

Gloria Pearson, Cabinet Secretary, Department of Human Services (DHS)

Lynne Valenti, Cabinet Secretary, Department of Social Services (DSS)

Amy Iversen-Pollreisz, Deputy Secretary, DSS

Brenda Tidball-Zeltinger, Deputy Secretary, DSS

Laurie Mikkonen, Chief Finance Officer, DSS

Virgena Wieseler, Director, Division of Child Protection Services, DSS

Denice Houlette, Chief Finance Officer, DHS

Darryl Millner, Director, Division of Developmental Disabilities DHS

Yvette Thomas, Director, Division of Long Term Services and Supports, DHS

# CONSENSUS FRAMEWORK

- Schedule and process that ensures a review of rate modeling analysis at least every 5 years by an inclusive work group. The schedule will reflect the year that the rate analysis is finished. The number and complexity of services within some provider types will warrant that the process of analysis may span multiple years.
- Annual summary of variances between cost report data, modeled rates prospectively adjusted i.e. an inflation factor and current reimbursement rates for all categories of services.
- Provider support of budget recommendations that are a result of rate modeling analysis.
- Greater understanding of overall reimbursement models and methodologies.
- Alignment of reimbursement rates to service delivery models within existing resources.

# CRITERIA TO PRIORITIZE PROVIDERS

- Known access issues.
- Delta between cost and reimbursement.
- Required Service Model Changes.
- Additional factors/consider as needed/equal weights:
  - a. Reliance on state funding
  - b. Date last reviewed
  - c. Number of consumers impacted

# PROVIDERS IDENTIFIED FOR 5 YEAR PLAN

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## **YEAR 1**

1. In Home (DHS/DSS) Nursing and Personal Care
2. Residential Treatment for Youth (DSS CPS) PRTF/ Independent Living, Group Care IRT

## **YEAR 2**

1. Substance Use Disorder – (DSS BH) Outpatient, Inpatient, Halfway House, Assessment
2. Assisted Living Providers (DHS)

## **YEAR 3**

1. Mental Health Services (DSS BH) CARE, IMPACT, Outpatient Psych and Outpatient Counseling, SED
2. Community Support Providers (DHS)

## **YEAR 4**

1. Justice Involved Services (DSS BH) JJRI (FFT), CJI (CBISA)
2. Nursing Home Providers (DHS)

## **YEAR 5**

# FINAL REPORT

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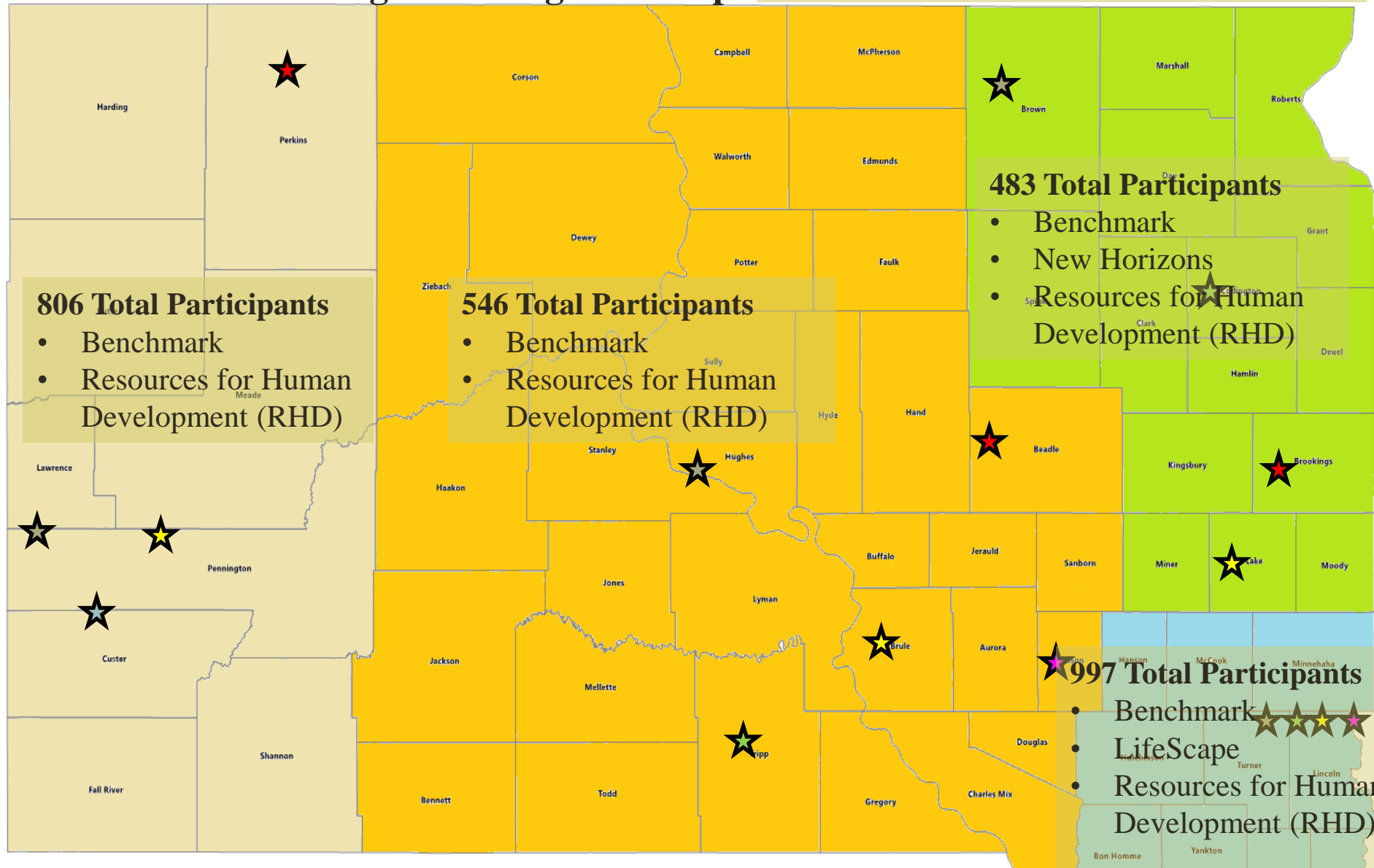
SB 147 Provider Rate Methodology Workgroup's final report is anticipated to be completed by January 8. DSS & DHS will discuss the report at their respective budget hearings.

# Conflict-Free Case Management

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- Implemented in FY2017 to meet new regulations from the Centers for Medicare and Medicaid Services (CMS)
- Rollout included stakeholder input, dissemination of public information, creation of a website, CMS approval of a waiver amendment including seeking public input, rate development, promulgating new ARSD, implementing a standardized individualized service plan, provider recruitment and enrollment, and implementing an IT solution for case management compatible with the Medicaid Management Information System (MMIS) for claims submission
- All CHOICES and Community Training Services participants are now receiving conflict-free case management from either Benchmark, Resources for Human Development, LifeScape or New Horizons





**Benchmark Human Services**  
<http://benchmarkhs.com/>  
 (866)417-9203  
 (605)644-7370

**LifeScape**  
<http://www.lifescapesd.org/>  
 Adult Services: (605)336-7100

**New Horizons**  
<http://www.humanserviceagency.org/>  
 (800)444-3989

**Resources for Human Development (RHD)**  
<http://www.rhd.org/southdakota/>  
 (605)222-1245

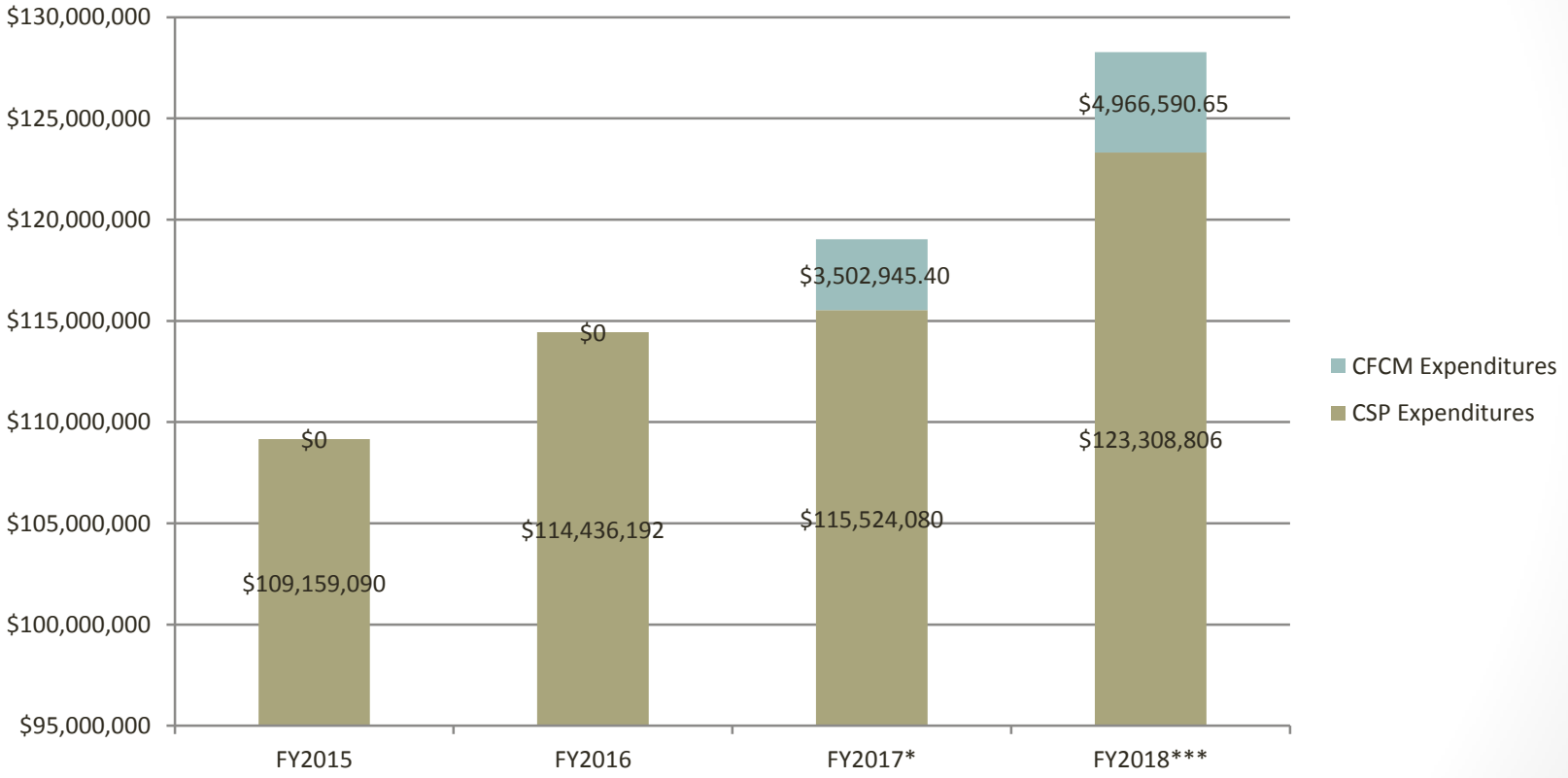
# Conflict-Free Case Management

## **Impacts of CFCM**

- Brought the DD system's case management service into compliance with the new federal regulations
  - Community Support Provider (CSP) cannot deliver case management and direct supports to the same individual
- Provides advocacy and oversight in the DD system
- Enhanced processes to identify community-based options
- Establishes a 15-minute unit rate of \$12.53 (FY2018) for provider reimbursement of CFCM services
  - Less than a 5% reduction of total CSP budget equaling \$4.8M to cover CFCM costs
  - Approximately 50% of CSP case management budget remained with CSP equaling over \$4M to cover other costs

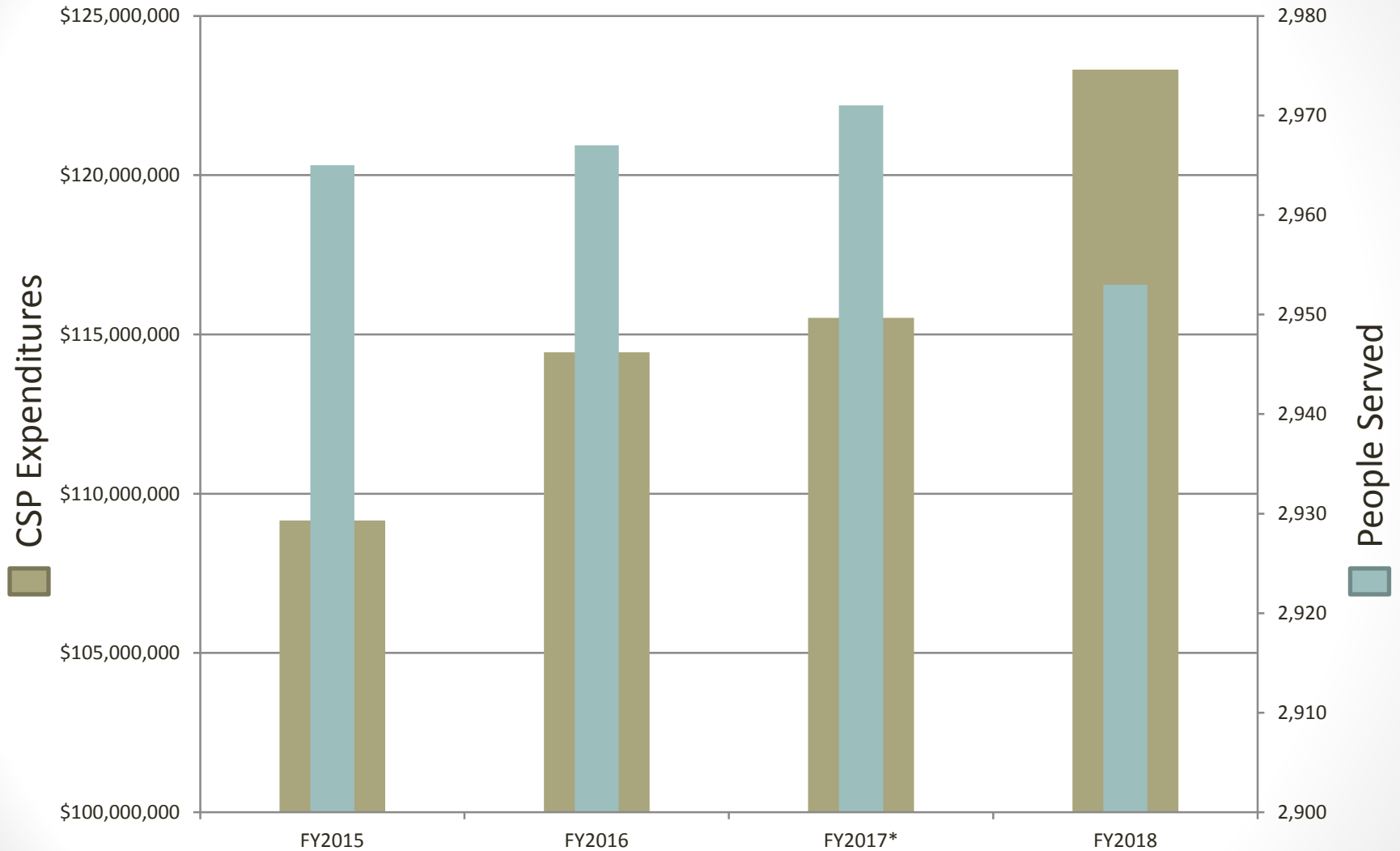
# Conflict-Free Case Management Costs

CSP & CFCM Expenditures



\*Full CFCM implementation as of 11/1/16  
 \*\*\*Budgeted

# CSP Expenditures and People Served



\*FY2018 is based on budgeted dollars and current number of people served

# School Lunch Program

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- The US Department of Agriculture administers the National School Lunch Program (NSLP)
- Covers meal costs for eligible programs for children to receive breakfast, lunch, and afterschool snacks
- SD Department of Education, Office of Child & Adult Nutrition Services has regulatory authority over eligible programs in SD
- SD Department of Human Services does not have regulatory authority over the program

# School Lunch Program

- The Federal Medicaid rules for the CHOICES waiver does not allow funding for room and board, including food services
- All but three CSPs (16) received funds from the NSLP in FY2017
- In March 2017, CSPs were noticed by the Office of Child & Adult Nutrition Services that the USDA changed their eligibility interpretation for the NSLP
- The change resulted in adults (July 1 of the year they turn 21) or students who have earned their diploma are no longer eligible to receive NSLP funds
  - Children without diplomas remain eligible
- Became effective for the 2017-2018 school year

# School Lunch Program

## Financial Impact:

- According to a fiscal report prepared by the Office of Child & Adult Nutrition Services, CSPs received a total of \$1,775,357 in FY2016
  - This includes funding for both adults and children
- CSP FY2016 Cost Reports:
  - CSP Food Services revenue: \$4,775,619
  - CSP Food Services expenditures: \$4,304,666
- CSP Budget Impact
  - 37% reduction to Food Services revenue
  - 1.5% of FY2016 CSP expenditures
- CSP will need to cover their costs with other funds or raise their board rates or a combination of both