OCTOBER 27, 2023

CASELOAD ESTIMATING CONFERENCE

BHDDH DIVISION OF DEVELOPMENTAL DISABILITIES

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A. Summary of FY23 Fiscal Estimate

For FY23, Rhode Island's Division of Developmental Disabilities (DDD) expenditures are currently $328M All Funds, with an estimated $10M additional claims to be paid in FY24, for a total of $338M All Funds expected for FY23. This results in a **$8M General Revenue deficit** compared to the May Caseload Estimating Conference and a **$17M All Funds deficit**.

The deficit is due to a miscalculation in the May Caseload Estimating Conference where the months of January/February 2023 were calculated as actuals, where the full months claiming had not been realized at the time of the projection calculation. This equated to $9M of the FY 23 deficit. Going forward, BHDDH will not include January/February actuals and will utilize projections for those months in the May projection calculations.

Please refer to 2023 Nov CEC Questions – BHDDH Final.xlsx, tab 1e – FY23 Closing for the expenditures versus the May final CEC enacted figures. There are two tables, one for All Funds and the other for General Revenue.

The CEC RIFANS accounts for FY 23 currently is $346M, which equates to a $25M deficit. This is not the true deficit as there were non-CEC dollars charged to the CEC RIFANS inadvertently. These funds, around $6 million dollars should have been charged to the Self-Direct & Transition Fund accounts. BHDDH will correct this issue for FY 24 and ensure that the non-CEC dollars are charged to their correct accounts. The reappropriation of Self-Direct and Transition funds from FY 2023 to FY 2024 will need to be adjusted down to reflect the true balance available as of June 30, 2023.

The remaining $10M in the deficit in the CEC RIFANS account correlates to the FY22 payable which was originally booked at $25M, but $35M was spent on claiming paid in FY23. The payable is calculated using a lag number from Gainwell reports, which for FY22 was 33.05 days. Upon reviewing the FY22 information, BHDDH performed an analysis and found that the lag experience is 51 days. When utilizing this revised lag day figure, the payable would have calculated appropriately in the $35M range. Going forward, BHDDH will use the lag day experience and work with Gainwell on the lag reporting modification.

Beginning FY24, each service category will have an assigned line sequence allowing the Department to identify spending by service category.

B. Enhanced SLA Stipend Expenditures

The Enhanced SLA Initiative has been funded since August of 2020, originally intended for support during the pandemic. This initiative ensures individuals in SLAs continue to receive necessary supports during the day hours when they would typically be receiving supports during this time by someone other than the SLA Contractors. Many of the SLA Contractors needed to take time off their jobs to stay home with the people they support. It was an increase in support, so the Division compensated them for this endeavor. The cost for this program in FY 23 is $5,041,670 and the estimated cost for FY24 is $3,827,485.73. There are 252 individuals who have been funded through this initiative, of which, 168 are currently receiving this funding.

Due to the success that has been seen in this program, individuals are happy with, and benefit from, the ability to receive day supports from their SLA provider, theses support services will continue. Enhanced SLA will continue as service option going forward but is now being referred to as Whole Life SLA. The service authorizations are now going into MMIS for providers to bill directly, instead of the offline payment process that was used for the Enhanced SLA.

C. Caseload Growth and Trend Development

Overall caseload growth for FY 23 was an average net monthly caseload growth of 5 individuals, which annualized would be 608ew cases overall. Because of this, our current projection will show a decrease from our May projections, with FY24 showing 3879 distinct individuals (down from 3956 cases projected in May) and FY25 showing 3939 distinct individuals.

Table 1: Summary of Total Caseload Growth with average net growth

Caseload Individual Count	2018	2019	2020	2021	2022	2023	2024 Forecast												2025
Month	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jun-25
Overall Caseload	3771	3838	3820	3989	3985	3855	3842	3831	3834	3839	3844	3849	3854	3859	3864	3869	3874	3879	3939
Monthly Change +/-	35	12	7	11	-5	-6	-13	-11	3	5	5	5	5	5	5	5	5	5	5
New vs. Closed					10	9													
Average Monthly Case Net Growth				6	5	5													

**Avg monthly case net growth remained flat*

This table shows the average net case growth at the end of FY23, and the reevaluation of that growth with actuals for FY24.

Table 2: Total Caseload Change by Service Category

Service Category	FY23 Caseload	May FY24 Estimate	Nov FY24 Estimate	FY23 Change	% Change
Residential Habilitation	2954	3027	3336	+382	12.7%
Case Mgmt & Support Services	3536	3648	702*	-2834	-80%
Day Program	2680	2719	683**	-1997	-74.5%
Employment	847	794	880	+33	3.84%
Transportation	1568	1589	1568	+0	0%

As outlined here, BHDDH anticipated in May 2022 that caseload levels would continue to have slow growth back to pre-covid levels, which has been slower than expected, notably in Day Program, Employment, and Transportation. However, the increase in expenditures is due directly to the rate remodel which had rate increases in July 2023, increasing the minimum DSP wages from $18 to $20, which has been reflected in our projections.

Since the implementation of the new rates and billing structure for DD services on 7/1/2023, there is a shift in utilization across several service categories, the most notable: Case Management, Day Program and Residential Habilitation and Supports.

*In Case Management, the biggest change has been to Support Coordination, with support costs now bundled into program support functions in other rates. The result is that this is no longer a service that can be separately billed or tracked.

**Day Program has also seen several changes to services offered, notably with the elimination of Home-Based Day programs, which have been absorbed by 24-hour residential services, as well as the separation of Center-Based Day and Community-Based Day. Community Based Day Supports along with Prevocational Supports have been combined with Community Based Supports, which has fallen under the Residential Habilitation and Support service category.

With many of the changes in mind, BHDDH utilized the actuals for July and August with our consideration for the caseload methodology. While the Caseload growth factor remains the same, we've shifted our caseload estimates based on what we are seeing from our caseload utilization in FY24 so far. Table 2 is a synopsis of those changes, where the biggest impacts to be seen are a shift from Day Program to Residential Habilitation in distinct individuals utilizing these service categories.

D. Rate and Payment Methodology Changes

DDD completed the comprehensive review and restructured the program, along with the provider reimbursement rates. As a reminder, the goal of this endeavor is to support improved long-term outcomes for adults with I/DD receiving services from DDD. DDD is shifting towards a system of community-based supports that promote individual self-determination, choice, and control. While in practice the system has been moving in that direction, the previous rate structure and payment methodology were rooted in more facility-based congregate care not fully aligned with this new direction.

The new rates, payment methodologies, and service structures promotes, engages, and uses flexible and responsive community resources in the least restrictive environment to assist individuals to build and maintain relationships, supports, and independence.

The new redesigned program, that began for FY 24, works as follows:

1. Funding levels for individuals adds increased flexibility within the individual's needs for services. The key budget changes center around the individual's services which include: residential, employment, community-based supports and support brokerage services.
    a. There is a fixed budget for the individuals based on their residential services needed and is no longer an item the individual will need to manage. BHDDH ensures the funding is available for these needs.
    b. As part of the Consent Decree compliance, BHDDH has created a flexible budget for individuals to incentivize community-based activities and offers individuals the opportunity to manage their budgets with their desired services.
        i. In the previous tier packages, Community-Based and Center-Based services were comprised of a 60%/40% respectively. In the redesigned component of this funding, these two services are separated to encourage individuals to utilize the service that best meets their needs. Individuals may still choose Center-Based services, but these services are a lower priced rate. Providers are also incentivized to encourage and deliver community-based supports through the higher reimbursement for providing person-centered/person-driven community services.
        ii. Support brokerage services will be supplied as part of their funding package but will only be allowed to be spent on these services. Individuals may add additional funds from their flexible budget to purchase additional support brokerage services, but they may not flex the original support brokerage funding to allocate to other services.
    c. Employment services are part of the individual's add-on budget which is only supplied for individuals who are interested in supports for their employment needs. Other services included in an add-on budget are vehicle modifications, peer-to-peer and family-to-family services.

As part of implementing the rates into the both the case management system (housed by Therap) and the payment systems (MMIS), the providers were asked to not bill for the month of July to ensure BHDDH had adequate time to review, update and verify the appropriate rates were implemented. There were a few rates that had problems once the billing was reopened to providers in August. BHDDH worked steadfast to complete the changes quickly so providers could bill under the new rates.

Professional Services

The new rates include changes to how Professional Services are billed. Professional Services are now broken out to the specific service type (Psychologist/Psychiatrist/Therapist (OT/PT/SPL)/Registered Nurse/Licensed Social Worker/Licensed Mental Health Counselor/Interpreter/BCABA/Licensed Practical Nurse). In doing this work we determined that most of these professional services will need to fall under the State Plan. The one service that will remain under the 1115 waiver is Nursing supports.

To implement new rates for Psychologists, Psychiatrists, and LMHC/LMFTs, and also for OT/PT/SPL therapists, the state would need to submit State Plan Amendments to reflect that there are I/DD-specific rates for "Clinician Services" and "OT/PT/SPL" services.

Skilled nursing services provided by RNs and LPNs are authorized under the 1115 waiver, so if there is state budget authority for the increases, EOHHS can request approval for the rate changes using the same process used to update the rate methodology for other HCBS services.

Interpreter services need to be billed as a secondary service, meaning that DDOs will bill for this only in conjunction with other billable services. It is possible to set I/DD-specific rates for the secondary interpreter service as well if the rates are authorized.

New Services

There is also continued work that needs to be done for the Adult Companion Care service. Our goal is to do two things: 1) Pay Adult Companions a stipend for their services, which has not been implemented up to this point because we lacked budget authority, although it has been federally authorized in our waiver; and 2) Pay beneficiaries an amount that can cover a portion of the Adult Companion's room and board, which can make it possible for beneficiaries to be able to afford an apartment with a room for the Adult Companion.

Under federal rules, the way to pay beneficiaries for the Companion's room and board is through a distinct service called "Live-In Caregiver." This service is currently not in the 1115 waiver.

To achieve our two goals, DD would request state budget authority to:

1. Implement stipends for Adult Companions and
2. Request of CMS that the Live-In Caregiver benefit be added to the state's waiver and then be implemented.

There are still several programmatic changes for the new services and a few modifications for existing services that are needed in the MMIS system which is anticipated to be implemented before the beginning of FY 25.

E. Consent Decree

The State negotiated terms in an Action Plan that was submitted to the Federal Court on October 21, 2021. The Action Plan terms the state needs to adhere to are as follows:

- **Work with Providers to develop Transformation Plans rolled out in two phases in the amount of $10 million;**
    - **Phase I** funding has been released to the grantees in the amount of $4 million AF.

      DDD received $4M in ARPA funds that are being used for a transformation initiative. This funding was made available to licensed Developmental Disability Organizations to focus efforts on recruitment and retainment of Direct Support Professionals to build staff capacity for service provision to adults with disabilities. There were 29 applicants, and all were approved. Funds were distributed on February 18, 2022.

      To measure outcomes, the Division and the Court Monitor will request the providers participate in the Staff Stability Survey. Providers will also need to submit additional documentation on progress toward outcomes at 6 months, 12 months, and 18 months into their initiatives. Providers signed an MOU, which can be found as an attachment to this document.

    - **Phase II** applications were due on May 1, 2022; funding for this initiative is $6 million AF.

      These transformation funds are being used to fund innovative service models to improve employment outcomes and community access for adults with intellectual and developmental disabilities.
        - To-date, $5,748,648.74 has been distributed to 31 agencies. There is one agency that has not become a RI Medicaid provider, so there is $258,740.65 in funding that has not been disbursed.
    - **Self-Directing funding will occur in FY23 in the amount of $2 million GR**

      This funding will address the need for service advisement and a substitute staffing pool.

      A contract with Rhode Island Parent Information Network (RIPIN) was signed and began on June 1, 2023 for the Service Advisement/Support Brokerage portion of work that needed to be done.
        - RIPIN has hired staff to support this work. They began providing webinars, on different topics related to self-direction.
        - They are partnering with the Sherlock Center to manage the SD User Listserv and they are working with Advocated In Action to develop a Peer-to Peer Support Training.

      The Staffing pool/Registry RPF did not have a successful bidder. There is work being done to determine the most beneficial way to move forward. There have some discussions with Direct Workforce Solutions, the contractor assisting with the SWI, to see if there is anything they may be able to assist with in this area. We have looked at what other states are doing and looked into operating systems that support this type of work (staffing registry). There has not been any evidence that these tools/systems have worked. We continue to look into viable options that will meet this need.

- Develop **a Technology Fund** in the amount of $2 million;

- Requests for funding for participants are currently being solicited. Requests are reviewed and awards are made on a quarterly basis. The Technology Fund is currently in the 7th Round. This Fund has been operational since May of 2022.
    - To-date, $257,160.00 has been disbursed to the providers to cover invoices for technology.

- Incrementally increase Medicaid rates to enable providers to **increase direct support professional hourly wages**;
    - Rates were increased in FY23 to increase starting wages to $18.00 per hour.
    - Rates were increased in FY24 to increase starting wages to $20.00 per hour which results in an average of $22.14/per hour.
- Develop a **Statewide Workforce Initiative**;
    - A Governor's budget amendment was submitted in the Spring of FY23 that included $900,000 to fund an RFP for a vendor to support the Statewide Workforce Initiative. The vendor selected was Sage Squirrel and their contract ended on 06/30/2023.
    - The SWI shifted to the Sherlock Center that subcontracted with Direct Workforce Solutions under the leadership of subject matter expert, Dr. Amy Hewitt. They have started working with the State, providers, self-directing leaders, DSPs and other stakeholders.
    - Part of the Statewide Workforce Initiative (SWI) consists of a Convening Council and five workgroups (Data & Reporting; Policy Advocacy and Worker Voice; Selection and Retention; Marketing & Recruitment; Professional Development and Training) were convened to address workforce issues.
    - The impact on the workforce from the pandemic has been significant. The difficulty in finding and retaining staff is being felt throughout the agencies of those who provide service to adults with intellectual and developmental disabilities. In residential care the staffing shortages have created increased costs due to overtime and turnover. The shortages have also caused the inability for agencies to provide much needed residential supports to youth in transition and to individuals who are in acute psychiatric units waiting needing placements after being discharged from psychiatric hospitalization. The providers' inability to provide the supports creates secondary strain on other systems, i.e., DCYF programs and psychiatric hospitals.
        - Day and employment programs have reopened but are also impacted by staffing crisis. These programs have been particularly impacted during COVID as staff are still sometimes pulled from these programs to assist in group homes. While the rate increases recently enacted have begun to address this issue, the shortages continue, and remain at a critical level. Many individuals with disabilities who desire to work or access the community are unable to do so due to the lack of staffing and service providers who can support them in meeting their needs.
        - In FY24, the Medicaid rates increased again and direct support professionals starting wages were increased to $20 an hour. This is one strategy the State has agreed to build capacity within the Direct Support Professional (DSP) workforce by increasing wages. and providing additional resources through the SWI to address income related issues and organizational structure of the providers to support a healthy workforce. Additionally, the State has engaged the Statewide Workforce Initiative to address other areas such as recruitment and retention, training to build the

necessary skill set to perform the job tasks, and work with providers on organizational changes to support and encourage a healthy workforce.
    - From January to September of 2023, providers reported a net gain of 916 DSPs which includes the agencies reported and reflects the net gain and loss month over month. There are still vacancies amongst the providers. Anecdotally, providers are reporting improvements due to the SWI initiatives, and the wage increases.
- Participate in the Caseload Estimating process;
- Complete the **Administrative Barriers workgroup** process by March 31, 2022;
    - The workgroups have completed their tasks and a final report was submitted on March 31, 2022.
- Complete the process to **allow RIPTA services to be matched by Medicaid**
    - RIPTA is not a Medicaid provider. States can provide transportation as an administrative expense or optional medical service. As an administrative expense, costs incurred are federally matched at 50%, which is lower than match for medical services, which is 53.96% for Rhode Island. However, the administrative option allows for more flexibility. States do not have to make direct payment to a provider when furnishing transportation as administrative cost and can choose the most efficient and appropriate means of transportation for the Medicaid recipient, including options such as gas vouchers, bus tokens, or quasi-public or private transportation companies. When a State includes transportation in its State Plan as medical assistance, it is required to use a direct vendor payment system and it must also comply with all other requirements related to medical services. The non-medical transportation services provided by RIPTA would be unnecessarily restricted by treating it as a medical provider.
        - For these reasons, the RIPTA contract is matched as an administrative expense. The FY23 contract is expected to be about $1.7M, with $850,000 coming from federal match and $850,000 coming from state funds through individual authorizations.

F. Employment Program

DDD continues to engage with Supported Employment providers. The DD state team has helped providers with accessing DD and ORS funding. There was a meeting in July to speak with providers about accessing Targeted Employment Funds. Two providers submitted a proposal for these funds to work on innovative services. One is doing an Adult Project Search and the other proposes to use technology to provide employment supports.

BHDDH filled the Administrator III position, which is dedicated to employment and community services. BHDDH hired someone to oversee Business and Community Engagement. Having someone to help make connections in the community that can lead to increased employment opportunities for individuals with I/DD was essential. It has already led to opportunities that we are working on passing to providers.

Meetings are also occurring on a regular basis with ORS and RIDE to discuss employment efforts. Both are aware that there is funding from DD to enhance support services that individuals are receiving through their departments to help increase successful outcomes.

Capacity is still an issue with bringing this work to scale.

G. SIS-A 2nd Edition and Assessment Modifications

The DD team recognizes the need to develop a comprehensive assessment process to ensure all areas of support are accurately captured for each eligible individual with I/DD receiving adult services. As such, the DD team has implemented a three-step assessment process.

The following itemizes the three components to the assessment:

1. The American Association on Intellectual Developmental Disabilities (AAIDD) has issued the SIS – A, 2nd Edition. The DDD SIS unit received training on the SIS-A, 2nd Ed. on June 2, 2023. The DDD SIS unit implemented the new SIS-A on August 7, 2023. With the new edition SIS-A, the DDD team worked with Health Management Associates (HMA) to develop new supplemental questions to be used in conjunction with the SIS-A, 2nd Ed. to assist with assessing the medical and/or behavioral needs of individuals receiving the SIS-A, 2nd Ed. assessment. HMA provided training to the DDD SIS unit July 25,2023 regarding the parameters and intent of the new supplemental questions. The DDD team is also working with HMA to develop the algorithm for the SIS-A, 2nd Ed. which will inform the tier.

2. The DDD team created an additional questionnaire to be administered at the time of the SIS-A. This questionnaire is entitled "Additional Needs and Support Questionnaire" (ANSQ). The ANSQ was implemented on March 7, 2023. The ANSQ is designed to assess eight areas of support based on the supplemental funding (S109) request trends. The eight areas include: criminal involvement/sexualized behavior/fire setting, co-occurring Alzheimer's/Dementia diagnosis, co-occurring behavioral health diagnosis, exceptional behavioral need, exceptional communication need, exceptional medical need, exceptional circumstances (caregiver/environment) and major life change. The goal of incorporating the ANSQ is to assess specific needs above and beyond what the SIS-A captures. In turn, the goal is to reduce the reliance on S109 requests and/or the need to request an administrative review. The BHDDH team is actively working with HMA to identify a standardized supplemental assessment and equitable funding process to replace the ANSQ and current funding mechanism.

3. The DD team implemented the third component on 9/20/2023 referred to as the "Individual Meeting." This voluntary meeting is to be held one week following the SIS-A or annually prior to the Individual Support Plan (ISP) meeting. The intent of this meeting is to build upon the SIS-A and ANSQ to ensure all support need areas have been captured. This meeting is intended to be conversational; it is not designed to be an assessment and affords the individual and /or their supports the opportunity to provide additional information as needed.

H. Conflict-Free Case Management (CFCM)

The CFCM process for obtaining vendors shifted from going through RFP process to utilizing certification standards, currently up for public comment, under the Medicaid process. This has allowed BHDDH to realign its process with EOHHS, although, BHDDH continues to have to maintain consistency with Court-ordered timelines and will move forward at a pace consistent with the Consent Decree Addendum. The certification standards will identify the standards for CFCM in general. Policies and procedures for DD population will specify the needs to be addressed for the DD population for provider(s) who qualify to become a DD CFCM provider.