



Financial Management Professional Interest Section Meeting

February 9, 2023

- Welcome
- Upcoming Events
- Waiver Rates - Milliman Rate Study
- Electronic Visit Verification Update

Professional Interest Section Meetings / Professional Development:

- Human Resources Section Meeting, Today
- Child and Family Services February 17, 2023

Upcoming Member Forum and Board of Directors Meetings:

- February 24, 2023
- March 24, 2023
- April 28, 2023



Registration opens 3 weeks in advance. To register for open events, scan the QR code or go to <https://web.inarf.org/events>

Alicia M. Boyd, CPA
Professional Corporation

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CPAs / ADVISORS

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SUPPORTIVE HOUSING SOLUTIONS



Waiver Rates – Milliman Rate Study

*Tracy Mitchell, Partner & Eric Neidig, Partner
Bradley Associates*

INARF

Medicaid Waiver Funding: Now and in the Future

February 9, 2023

Tracy Mitchell and Eric Neidig

Bradley Associates



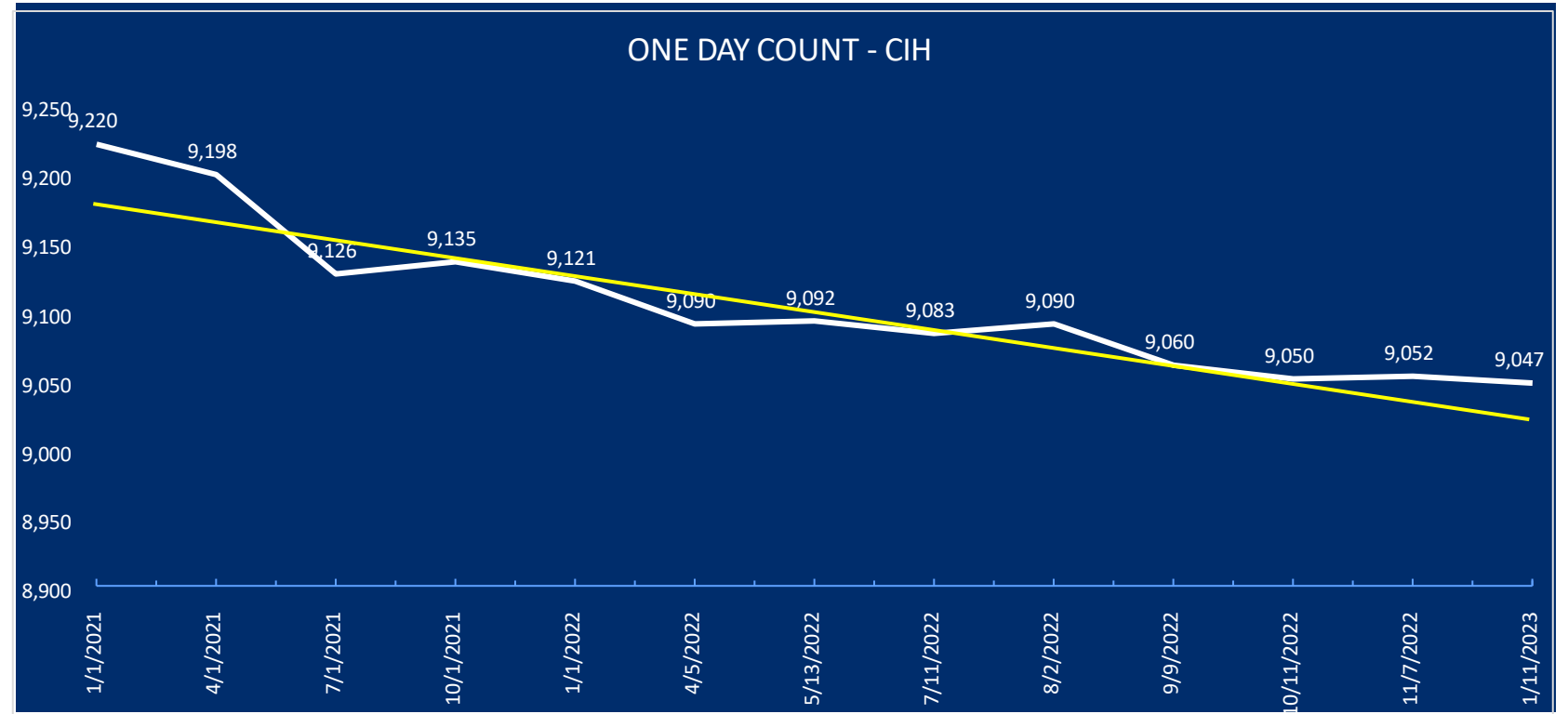
How People Are Served

People on the CIH and FSW waivers and their waiver providers will be impacted by:

- **MLTSS for those over the age of 60 not on a DDRS waiver** - Expansion of providers to serve more people regardless of diagnosis
- **Waiver Redesign** – Potential changes in who qualifies for what services
- **New Waiver Administration in one department under DDRS** – FSSA is hoping to facilitate standardization of services and management across waivers regardless of primary diagnosis or need

Number of Individuals on BDDS Waivers – One-Day Count

Community Integration and Habilitation waiver*
as of 1/11/2023



Source: BDDS Portal

*All counts are unduplicated



Applications for Emergency Placement – by Priority Category*

as of 1/11/2023

ANE

Quarter/Year	# Applications	% Approved
2022 Q4	2	50.00%**
2022 Q3	5	80.00%
2022 Q2	2	100.00%
2022 Q1	9	100.00%

H&S

Quarter/Year	# Applications	% Approved**
2022 Q4	114	19.30%
2022 Q3	116	21.55%
2022 Q2	105	23.81%
2022 Q1	99	13.13%

Caregiver Over 80

Quarter/Year	# Applications	% Approved
2022 Q4	18	66.67%**
2022 Q3	13	100.00%
2022 Q2	11	81.82%
2022 Q1	16	100.00%

Loss of Caregiver

Quarter/Year	# Applications	% Approved
2022 Q4	10	40.00%**
2022 Q3	13	84.62%
2022 Q2	14	85.71%
2022 Q1	18	100.00%



**All counts are unduplicated*

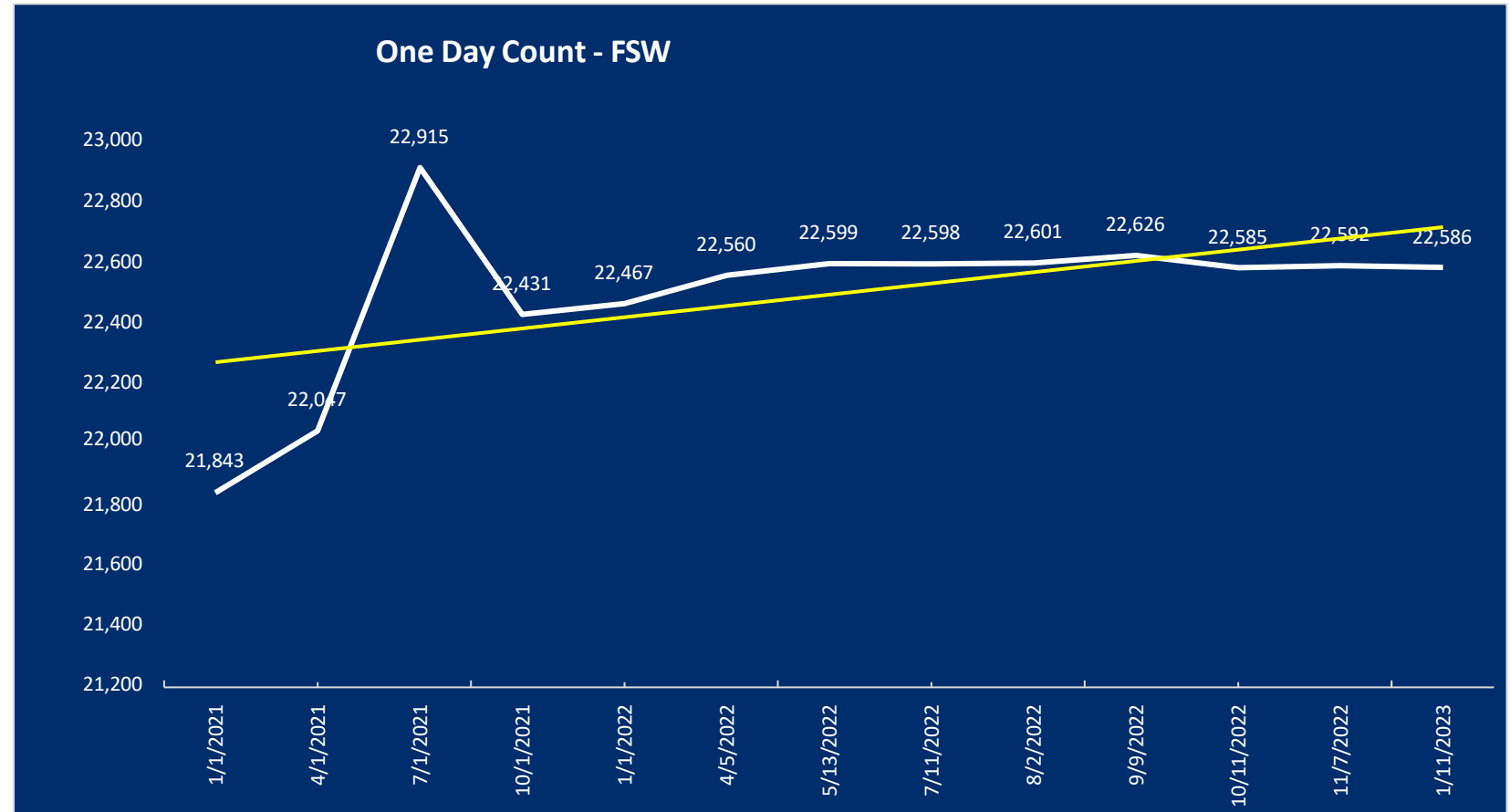
***Decisions pending*

Data Source BDDS Portal

Number of Individuals on BDDS Waivers – One-Day Count

Family Supports waiver*

as of 1/11/2023

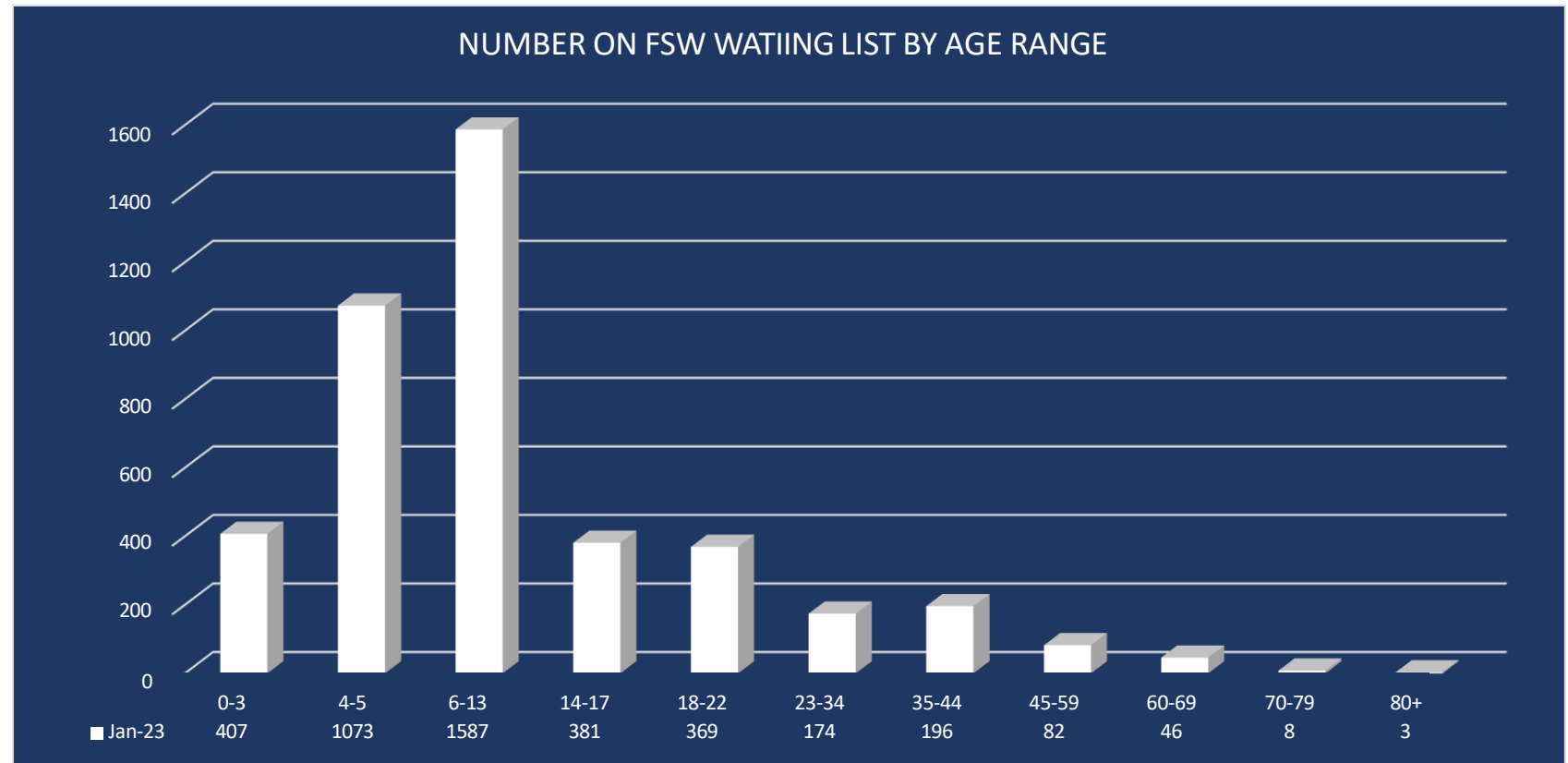


**All counts are unduplicated*

Source: BDDS Portal

FSW Wait List by Age Range as of 1/11/2023

0 – 22: 3,817
23+: 509



Source: BDDS DART Data System

How People Are Served

FSSA slide:
Rate Analysis
Project
10/3/22

Division	HCBS Program	July 2022 Participants ¹	SFY 2022 Annual HCBS Expenditures ²
Division of Aging	Aged & Disabled Waiver	31,959	\$720.6M
	Traumatic Brain Injury Waiver	161	\$6M
	Money Follows the Person Grant - ADW	274	\$4.3M
Division of Mental Health and Addiction	Adult Mental Health Habilitation	15	\$0.8M
	Behavioral and Primary Healthcare Coordination	3,255	\$1.1M
	Child Mental Health Wraparound	1,037	\$13.5M
Division of Disabilities and Rehabilitative Services	Community Integration and Habilitation Waiver	7,948	\$774.3M
	Money Follows the Person Grant - CIH	44	\$3.0 M
	Family Supports Waiver	22,890	\$202.8M
Total	HCBS Programs	67,583	\$1.73B

\$720 million on A&D Waiver includes people over 60 who will be covered by MLTSS. Current projections are that 80% - 85% of these people will move to MLTSS. However, rate setting will remain with OMPP.

1. Enrollment by Waiver Service, July 2022
2. Expenditures are through June 2022 and based upon paid claims



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How People Are Served

Changes in Services impacted by:

- 14(c) Designation/Sheltered Work Phaseout
- Elimination of Prevocational Services on the Waiver
- HCBS Transition Rule and Heightened Scrutiny
- New services
- Push for decrease in full time supports and increase in alternative models of care (Structured Family Caregiving, Self-directed care, etc.)
- Value Based Purchasing

Medicaid Waiver Rates

Changes in Rates:

- Milliman Rate Study
- Rate indexing
- Value Based Purchasing (Milliman 2nd round, pilots)

Medicaid Waiver Rates in the Future

- OMPP is conducting rate studies for all of its HCBS Medicaid waivers
- The goals of these rate studies include:
 - Increase rates to be competitive with institutional providers of similar services
 - Utilize similar base wage components for rate development regardless of waiver
 - Incentivize community based services or other services in demand from individuals and families vs less desirable services
 - Provide basic rate setting template for future rate studies
- This process is expected to result in new rates effective 10/1/23 or 1/1/24
- FSSA has proposed a maximum four year rate study cycle with rate indexing between rate studies

Consistency in Rates

	CIH Waiver	A&D Waiver	TBI Waiver		5% Assumed Increase			Equiv Increase	
					CIH Waiver	TBI Waiver		A&D Waiver	Percent Increase
Res Habilitation Hourly - Lvl 1	29.81				31.30				
Res Habilitation Hourly - Lvl 2	25.05				26.30				
Res Habilitation			27.96			29.36			
Attendant Care (Agency)		23.28	23.28					29.36	26.11%
Attendant Care (NonAgency)		16.20	16.20					20.55	26.86%
Respite	29.31	22.36	22.36		30.78			30.78	37.64%
Note: A&D and TBI Waivers use 1/4 hour units									

Milliman CIH and FSW Rate Study

- INARF members met with Milliman in September and October to assist in identifying key components of Medicaid Waiver rates including cost drivers like productivity, benefits structures, span of control of supervisors etc.
- Presentation made to DDRS providers on October 30, 2022 of the Milliman Data Collection Survey
- DDRS Data Collection Surveys were completed by providers and submitted by November 16, 2022
- Department of Aging Data Collection Surveys were sent out on November 28, 2022 and were to be submitted by December 16, 2022

Milliman CIH and FSW Rate Study

- Milliman received responses from more than 60% of DDRS providers which contributed to more than 80% of the CIH and FSW spend
- DDRS Study expected to be completed in mid-February
- Results to be shared with industry in late February or Early March
- As a part of waiver re-design and to support value based purchasing, Milliman is expected to conduct a second rate study in the next year for many of these services.

Rate Indexing

- Expected to be tied to State Budget Cycle
- May only occur every other year
- Expected to be applied to all services
- Included in Governor's Budget but no guarantee that this funding will be included in the State Budget that is passed by the Legislature

Governor's Budget

Values in millions	SFY2022	Total Fiscal		State Share GF		Effective
	Base					
Recommended	Expenditures	SFY2024	SFY2025	SFY2024	SFY2025	Date
Rate Matrix						
Home Health	\$ 279.1	\$ 85.6	\$ 118.3	\$ 23.1	\$ 30.2	7/1/2023
Dental	\$ 258.9	\$ 2.5	\$ 49.0	\$ 0.9	\$ 8.0	7/1/2023
NEMT	\$ 56.0	\$ 4.5	\$ 16.5	\$ 1.5	\$ 2.9	7/1/2023
DA waivers	\$ 726.6	\$ 224.7	\$ 271.1	\$ 60.6	\$ 70.7	7/1/2023
DDRS waivers	\$ 977.1	\$ 196.9	\$ 214.8	\$ 54.2	\$ 59.1	7/1/2023
DMHA waivers	\$ 13.5	\$ 1.5	\$ 1.6	\$ 0.5	\$ 0.5	7/1/2023
Rate indexing		\$ 0.0	\$ 52.2	\$ 0.0	\$ 12.1	7/1/2024
Zero out current trend		(\$ 62.2)	(\$ 75.0)	(\$ 19.4)	(\$ 22.2)	7/1/2024
Total Provider Investments	\$ 2,311.1	\$ 453.5	\$ 648.4	\$ 121.4	\$ 161.2	

Value Based Purchasing

There is a federal push to use more value-based purchasing theories in state Medicaid programs. Some being tested nationally or even in DDRS Pilots projects include:

- Shared savings programs – E.g., if services are delivered for less than the expected amount, provider shares in the savings
- Outcomes based payments/Pay for Performance - E.g., if certain outcomes are achieved, provider receives a bonus payment. These may be for services or outcomes outside of LTSS such as assuring general health outcomes are achieved or maintained.
- Capitated/Episodic payments – Provider receives preset monthly payments assuming certain performance metrics are met.

CMS Changes to Budget Neutrality Policy

Medicaid waiver plans must ensure that they are budget neutral and do not cost CMS anymore than if the people covered by the plan had been served in institutions. Indiana has been bumping up against this limitation for several years and it has been one of the reasons that the State has said they could not increase rates.

CMS Changes to Budget Neutrality Policy

Some of the CMS proposed changes include:

- Streamlined process for changing budget neutrality calculation without requiring a full amendment of the plan
- Instead of using the lower of the state's historical trend rate or the national expected growth in Medicaid expenditures, allows states to just use the higher national rate
- Allow the use of a mix of current spending levels and spending levels from the start of the waiver instead of just using the historical spending levels at the start of the waiver trended forward

CMS Changes to Budget Neutrality Policy

Some of the CMS proposed changes include:

- Allows states to carry forward savings from prior demonstrations for up to ten years to new waiver plan renewals
- Allow “hypothetical” treatment of new types of expenditures outside the budget neutrality calculation. Examples, include certain residential expenses, non-covered populations, social needs expenditures, etc.

Better Care Better Jobs Act

Proposed Senate Bill authored or co-authored by most of the Democrat Senators in US Congress to enhance HCBS services which has been summarized by ANCOR as follows:

- Enhance Medicaid funding for HCBS by providing a permanent 10 percentage point increase in the federal Medicaid match to eligible states.
- Strengthen and expand the HCBS workforce by addressing HCBS payment rates to promote recruitment and retention of direct care workers, requiring states to update HCBS payment rates with public input every two years.
- Fund quality and accountability efforts, such as technical assistance to implement the bill and the creation of ombudsperson programs.

Better Care Better Jobs Act

Proposed Senate Bill authored or co-authored by most of the Democrat Senators in US Congress to enhance HCBS services which has been summarized by ANCOR as follows:

- Help states plan implementation, including requiring them to develop plans for implementation with public input.
- Make permanent the Money Follows the Person program, providing support for individuals to transition to appropriate long-term services and supports in the settings of their choice, including in home and community-based settings.

Direct Service Workforce Grants

While the rate studies and other issues discussed earlier in this presentation are mid to long-term plans, the state of Indiana offered Direct Service Workforce Grants for the first three quarters of 2023 totaling \$130 million to cover the short term and help bridge the gap.

Providers were required to apply by December 22, 2022 and should have received a payment on January 31 with the other two payments expected to be paid on March 1 and June 1. Each payment is equal to 3% of a provider's June 30, 2022 claims for covered services.

Direct Service Workforce Grants

Covered services are targeted at frontline staff but excluded Music Therapy, Recreational Therapy and Case Management among other services.

Contractors and direct supervisors (who performs DSW functions when there is a lack of availability of DSWs) are eligible.

Providers must direct 95% of the grant funding to direct services workers and publish their plans for doing this on their website.

Direct Service Workforce Grants

Providers must be in compliance with the HCBS Settings rule by March 17, 2023

Funds received must be obligated before the next round of payments is received

Amounts are to be spent prospectively and cannot cover retrospective amount

Determination of amounts received may be appealed at:

hcbs.spendpplan@fssa.in.gov

Direct Service Workforce Grants

For the 95% of funding awarded that must go towards the direct service workforce, providers are able to use the funding on the following:

1. Financial Compensation
 - a. Bonuses, hourly wage increases, overtime, or shift differentials
2. Wraparound Benefits, could include:
 - a. Providing financial support or assistance for:
 - i. Transportation, including public transportation, gas cards, and/or vehicle repair/maintenance;
 - ii. Child care;
 - iii. Cell phone or other technology;
 - iv. Housing support;
 - v. Payroll taxes; and
 - vi. Tuition reimbursement or assistance with student loans.

Direct Service Workforce Grants

For the 95% of funding awarded that must go towards the direct service workforce, providers are able to use the funding on the following:

2. Wraparound Benefits, could include:
 - b. Benefit packages (only when starting new packages);
 - i. Retirement, healthcare insurance, vision or dental insurance
3. Retention Activities

For the 5% of funding awarded that is not required to go towards direct service workforce investment, providers may use that funding as needed. Examples include:

1. Recruitment and training
2. Administrative needs
3. Payroll taxes

Sample Plan

The plan would provide for retention bonuses to eligible employees of services as described in the grant over the course of twelve months:

First quarter funds (January Payment):

Pay 50% of funds to eligible employees that have been employed for at least 90 days on January 1. Paid February 15th.

Pay 50% of funds to eligible employees that were employed on January 1 and are still employed on July 1 (legal obligation). Paid on August 15th.

Second quarter funds (March Payment):

Pay 50% of funds to eligible employees that have been employed for at least 90 days on April 1. Paid April 15th.

Pay 50% of funds to eligible employees that were employed on April 1 and are still employed on October 1 (legal obligation). Paid on October 15th.

Sample Plan

The plan would provide for retention bonuses to eligible employees of services as described in the grant over the course of twelve months:

Third quarter funds (June Payment):

Pay 50% of funds to eligible employees that have been employed for at least 90 days on July 1. Paid July 15th.

Pay 50% of funds to eligible employees that were employed on July 1 and are still employed on December 1 (legal obligation). Paid on December 15th.

Sample Plan

This program would essentially provide retention bonus payments on:

February 15

April 15

July 15

August 15

October 15

December 15

Threats

- Waiver redesign
- Medicaid funding – Recession, other priorities, etc.
- Federal initiatives (Transition rule, limiting Medicaid funding, etc.)
- Competitive Balance with other IDD services providers
- Competitive Balance with other HCBS providers
- Competitive Balance with non-healthcare employers



Electronic Visit Verification Update

Michael Cook

Director of Provider Services, OMPP

Your participation in the brief 2-minute survey is requested.

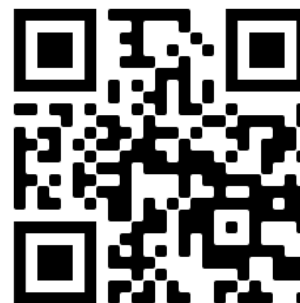




INARF PAC

Your contributions to the INARF PAC are a critical part of INARF's legislative advocacy efforts. They are used to support elected officials who serve as champions of the provider community. Please consider supporting the INARF PAC today.

For more information and to contribute, scan the QR code or visit: www.INARF.org/INARF-PAC



Alicia M. Boyd, CPA
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Thank you!

615 N. Alabama St., Ste. 410, Indianapolis, IN 46204

(t) 317-634-4957 / (f) 317-634-3221

inarf@inarf.org / www.inarf.org