



Financial Management

How Did We Get Here: Brief History of Community Services & Rates - Indiana

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Community Services over the Years – 1950's

- Individuals primarily living at home and may attend sheltered workshops
- Out of home placement is in state institutions
- Parental, non-profit organizations begin to be formed to support individuals at home
- The national ARC is formed in 1953
- First family boarding home program established in 1955
- Primary funding is from vocational rehabilitation, donations and grants

Community Services over the Years – 1960's

- Residential opportunities outside of state institutions including non-Medicaid group homes and larger institutions like Damar begin to be developed
- Medicaid signed into law in 1965
- State funds and social services grants begin to fund some residential and community services

Community Services over the Years – 1970's

- ICF/MR program authorized as an optional Medicaid service in 1971
- INARF is formed in 1974
- Title XX of the Social Security Act signed in 1975 expands funding opportunities for community services
- In 1977 out of home placements may be summarized as:

Group Homes	638
ICFs/MR	1,026
State Institutions	<u>3,438</u>
	<u>5,102</u>

Community Services over the Years – 1970's

- Other than ICF/MR's which are Medicaid funded services similar to nursing homes, service delivery is primarily done by non profit organizations
- In 1978, the Indiana Legislature authorizes Medicaid to cover Community Residential Facilities/Developmental Disabilities for 8 persons or less.
- In 1979, Medicaid reimbursement rules are established for CRFs/DD

Community Services over the Years - 1980's

- In 1981, Medicaid Home and Community Based Services “waiver” program created under federal law but it is almost ten years before the creation of the Autism waiver in Indiana
- In 1984, current group home Medicaid reimbursement system adopted with the following categories:
 - Sheltered Living (4.5 hours)
 - Intensive Training (6.0 hours)
 - Child Rearing (8.0 hours)
 - Child Rearing w/ Behavior (10.0 hours)
 - Basic Developmental (10.0 hours)
- From 1984 – 1989, state expands group home program by asking for proposals from providers which leads to the first for-profit entities offering services

Community Services over the Years – 1990's

- In 1990, Autism HCBS waiver started
- In 1992, Indiana ICF/MR Waiver is approved by CMS
- Day services are included in the group home rate in 1992 based upon Title XX amounts provided in prior year
- Provider Assessment is implemented for the first time for group homes in 1994
- Central State Hospital is closed in 1994 expanding use of the ICF/MR waiver for some of the most challenging people
- In 1997, developmental training (8.0 hours) and small behavior mgmt for children (12.0 hours) are added as group home categories.

Community Services over the Years – 1990's

- In 1997, Indiana Senate Bill 317 creates a bipartisan task force of consumers, advocates and state officials to review services in the state. Their report results in more than \$100 million in new funding for services.
- In 1998, New Castle State Developmental Center and Northern Indiana State Developmental Center are closed using primarily the ICF/MR waiver to provide services.
- At the end of the decade, there are approximately 2,000 people on the BDDS waivers while group home capacity at the end of decade may be summarized as:

Sheltered Living	404
Intensive Training	1,883
Developmental Training	441
Child rearing w/special	120
Child rearing w/behaviors	61
Basic Developmental	<u>882</u>
	<u><u>3,791</u></u>

Community Services over the Years – 2000's

- From 2001 – 2004, all but 3 large private ICF/MRs are closed shifting more people to the ICF/MR waiver with some group home placements as well
- In 2001, Support Services Waiver is created to expand services for people living with families or on their own and shift as much funding to Medicaid as possible
- In 2002, small extensive medical needs (12.0 hours) group home is added as a new category
- Muscatatuck State Developmental Center is closed in 2005
- In November 2005, daily rate based on enrolled days is implemented for the DD waiver
- In 2007, extensive support needs (24.0 hours) group homes are added as category

Community Services over the Years – 2000's

- Fort Wayne State Developmental Center closes in 2007
- On January 1, 2009, DD waiver returns to hourly rates
- Summer of 2010 due to state budget issues rates across most Medicaid providers are cut
- From 2012 – now, the last three large ICF/MRs are closed. There are currently no licensed large ICF/MRs.
- In 2013, Comprehensive Rehabilitative Management Needs Facility is added as a non-state operated facility category.

Community Services over the Years - 2000's

- Currently there are approx. 8,800 people served on the CIH waiver and 12,500 served on the FSW Waiver
- Current group home capacity may be summarized as:

Sheltered Living	-
Intensive Training	688
Developmental Training	907
Child rearing w/ special	46
Child rearing w/behaviors	27
Basic Developmental	1,565
Small Ext Med Needs	84
ESN	<u>84</u>
	<u><u>3,401</u></u>

Three Components of Rate Discussions

- Service Definitions
- Units of Service
- Rate

Three Components of Rate Discussions

Service Definitions

- Broad or narrow?
- Combine distinct services or not?
- Are there different levels of services?
- Allowable and non-allowable activities
- Provider qualifications

Three Components of Rate Discussions

Units of Service

- Hinges on service definition
- By Procedure?
- By a unit of time? (1/4 hour, hour, day, week, month)
- Impact of decision on service delivery and administration

Three Components of Rate Discussions

Rates of Service

- Statewide
- Provider Specific
- Individual Specific
- Variable (environmental modifications)
- Prospective or retrospective?
- Some portion contingent on meeting certain parameters? (e.g. quality)

RHS Rate History

	%	Respite/ RHS 1	RHS 2
11/1/2002		19.99	17.59
11/1/2005		Daily	Daily
7/1/2006		3.5% increase	
1/1/2009		25.00	21.00
6/1/2010	-7%	23.24	19.52
1/1/2014	5%	23.70	19.91
7/1/2015	1%	24.29	20.41
7/1/2016	1%	24.90	20.92

Community Hab Rate History

	CHG Individual	CHG Group	2:1	3:1	4:1	6:01	8:1	10:1
11/1/2002	27.58	6.68						
11/1/2005	Daily	Daily						
7/1/2006	3.5% increase							
1/1/2009	25.00		13.03	8.69	6.52			
6/1/2010	23.24		13.03	8.69	6.52			
10/1/2010	22.09		8.48	8.48	8.48	4.72	4.72	4.72
1/1/2014	22.53		8.48	8.48	8.48	4.72	4.72	4.72
7/1/2015	23.09		8.48	8.48	8.48	4.72	4.72	4.72
7/1/2016	23.67		8.48	8.48	8.48	4.72	4.72	4.72

Facility Hab Rate History

	FHG Individual	FHG Group	2:1	4:1	6:1	8:1	10:1	12:1	14:1	16:1
11/1/2002	27.58	5.34								
11/1/2005	Daily	Daily								
7/1/2006	3.5% increase									
1/1/2009	23.48		14.76	7.38	4.92	3.69				
6/1/2010	23.24		14.76	7.38	4.92	3.69				
10/1/2010	22.09		8.48	8.48	4.72	4.72	4.72	3.00	3.00	3.00
1/1/2014	22.53		8.48	8.48	4.72	4.72	4.72	3.00	3.00	3.00
7/1/2015	23.09		8.48	8.48	4.72	4.72	4.72	3.00	3.00	3.00
7/1/2016	23.67		8.48	8.48	4.72	4.72	4.72	3.00	3.00	3.00

Other Services

- Healthcare Coordination/Wellness
- Transportation