



# Financial Management

## **Taking Control of Healthcare**

Ben Conner, CEO, Conner Insurance

John Niederman, President/CEO, Pathfinder Services, Inc.

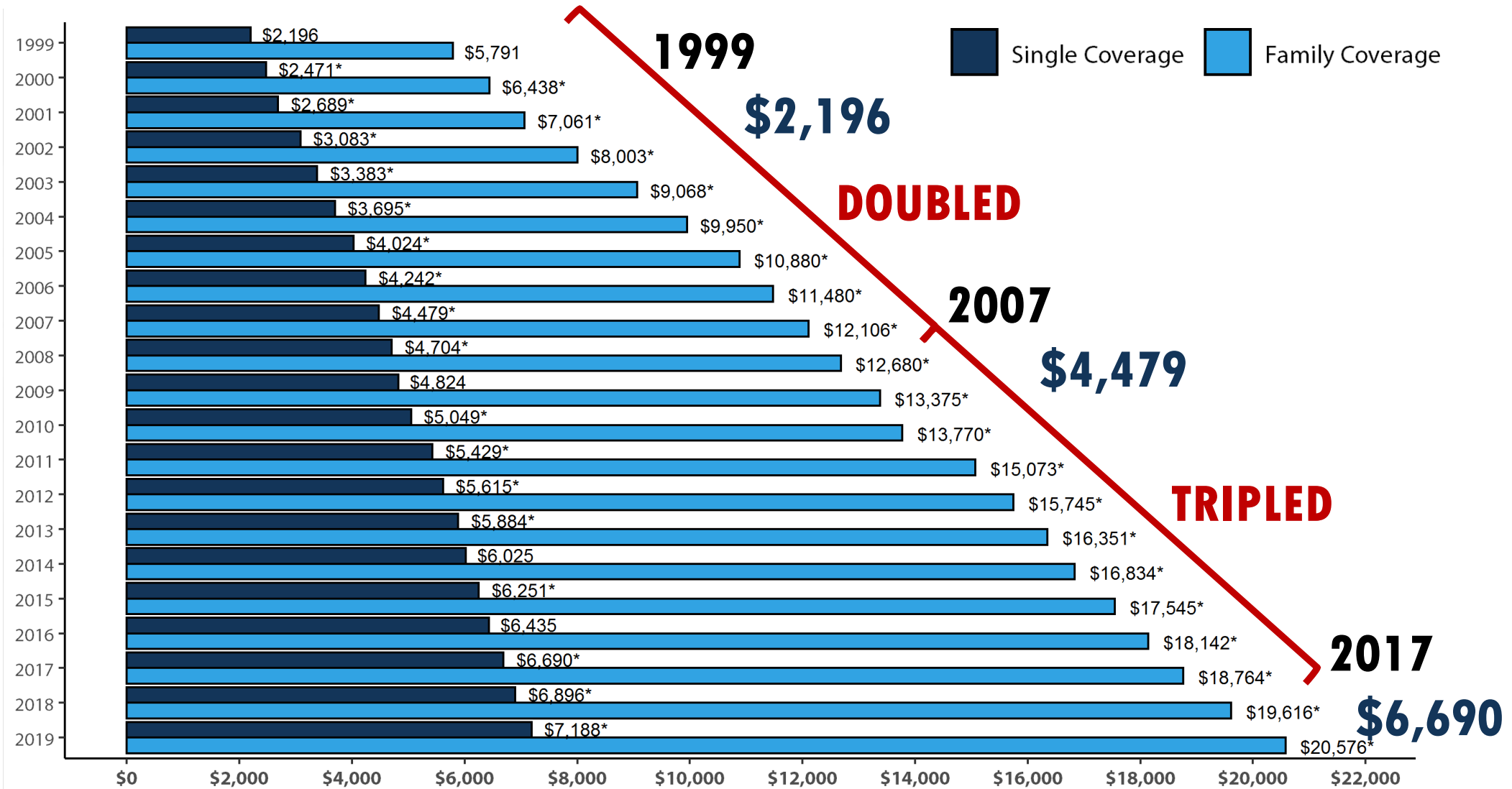


# **Taking Control of Healthcare**

**How healthcare can be your organizations secret weapon to improve employee value / compensation**

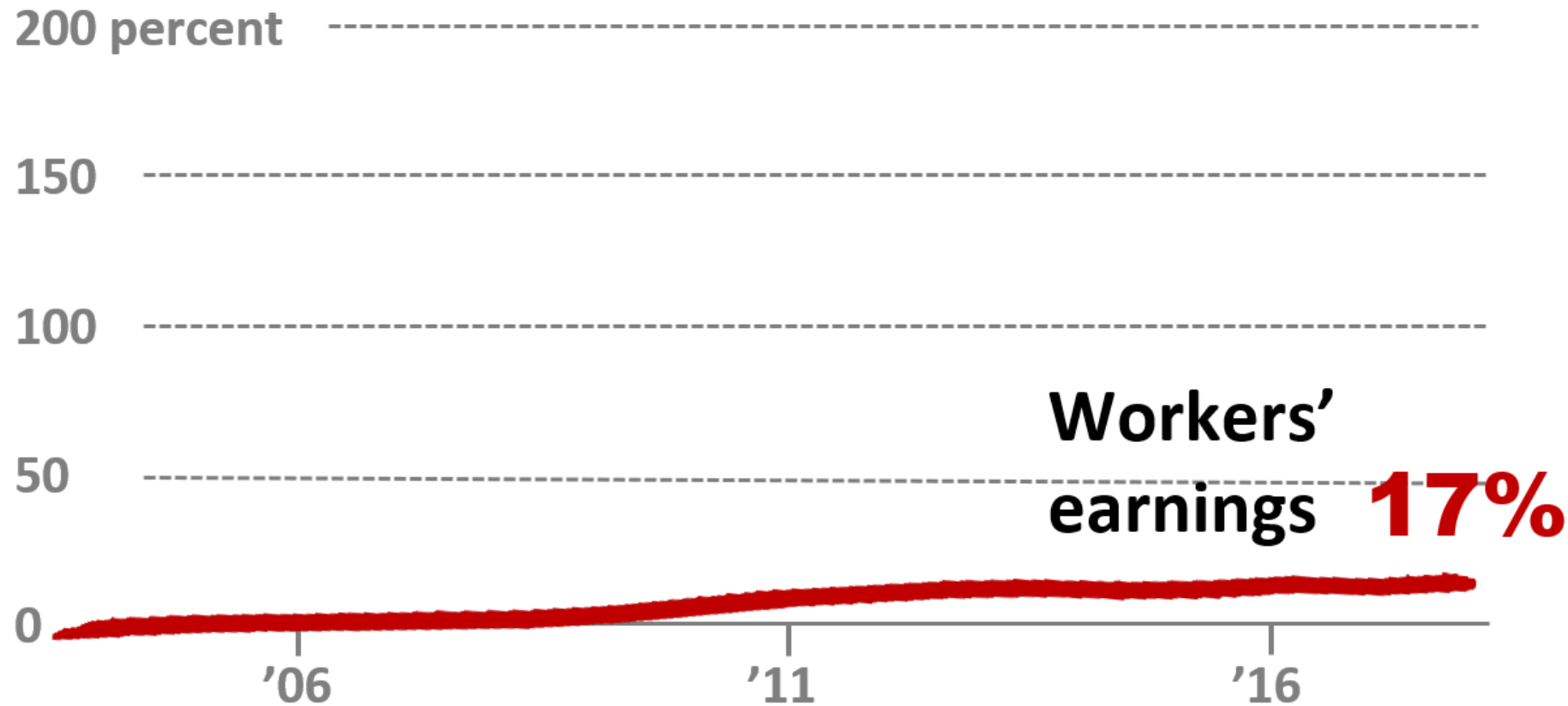
**Ben Conner, Conner Insurance  
John Niederman, Pathfinder Services**

# Average Annual Premiums, 1999-2019



# Premiums vs. Employee Wages, 1999-2018

*Real growth of premiums & wages (adjusted for inflation)*



**Insurance  
Company  
Income**

**Employee  
Income**



## EMPLOYEES



**17 percent**



**INCOME  
GROWTH  
1999 - 2018**



## INSURANCE COMPANIES



**194 percent**

**11.4 times  
Wage Growth**






A close-up photograph of a person wearing a dark navy blue suit jacket. Their right hand is placed behind their back, with the index and middle fingers slightly spread, a gesture often associated with lying or deception. The background is a blurred grey. Two thick red diagonal lines cross the image, one from the top left to the bottom right, and another from the top right to the bottom left, framing the central text.

# **Healthcare's BIG LIE**

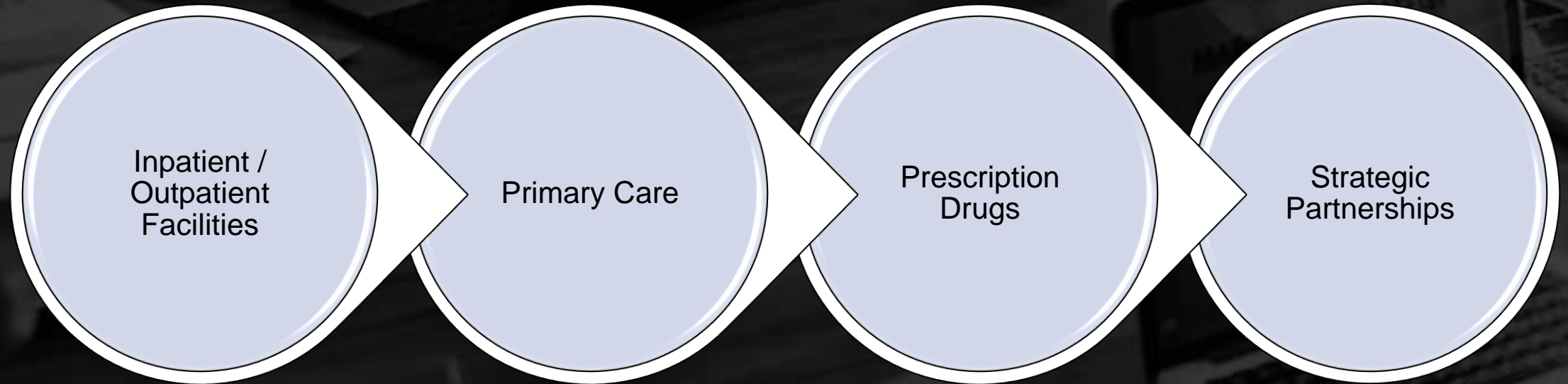


A person wearing a dark suit jacket is shown from the waist up. Their right hand is placed behind their back, with the index and middle fingers extended. A thick red diagonal line runs from the bottom left towards the top right, passing behind the text. The background is a blurred grey.

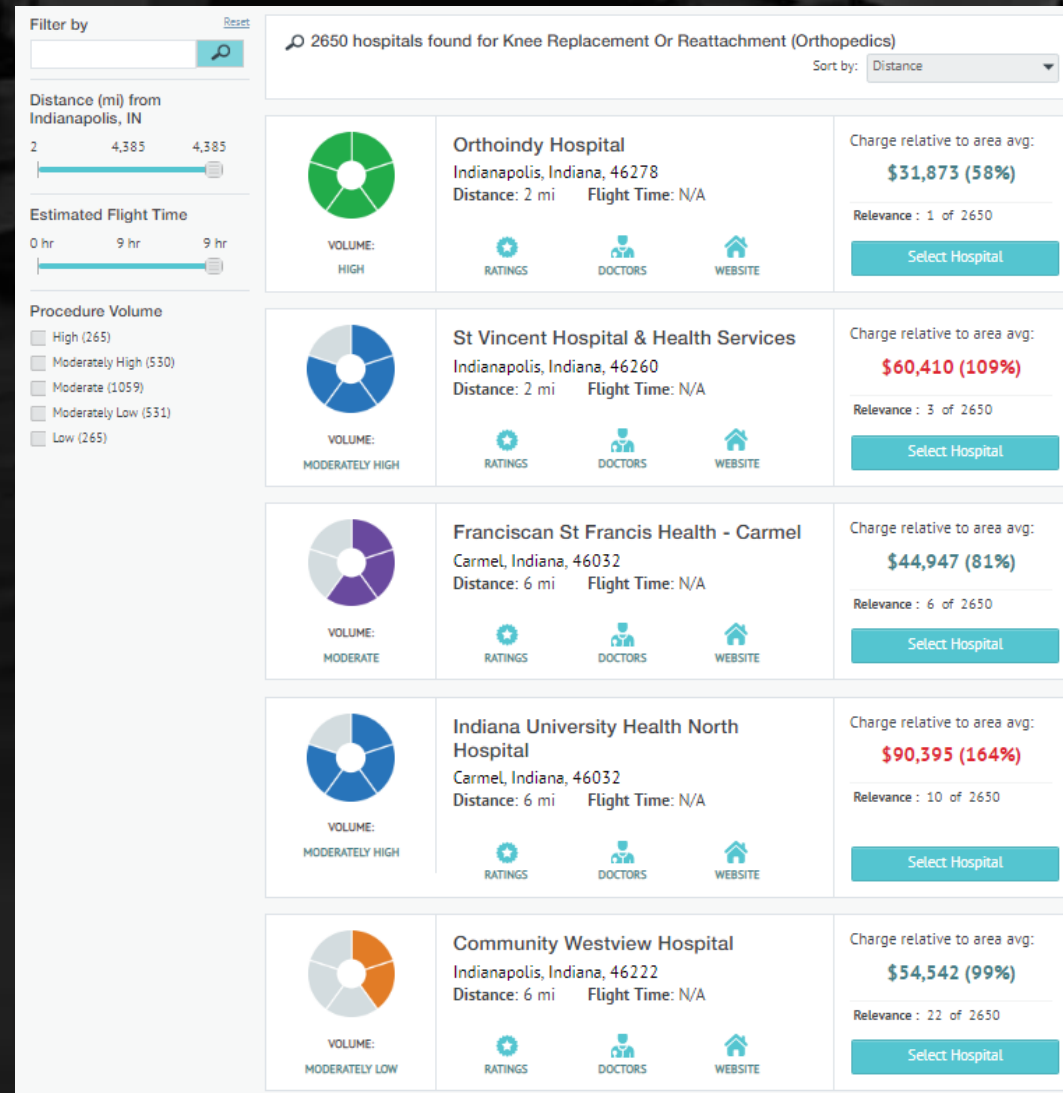
**“You have no  
control over  
the cost of  
healthcare.”**



# The Healthcare Supply Chain



# Facility Charges





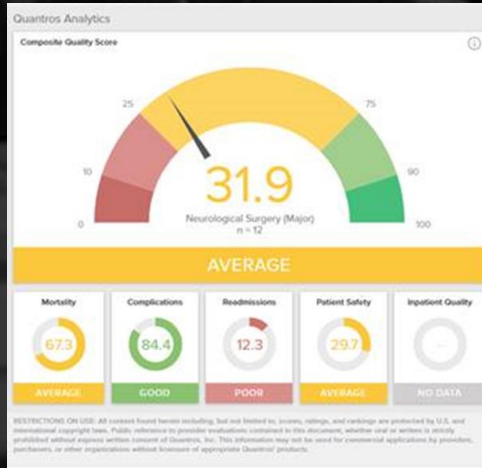
# Physician Quality

**Doctor A, MD**  
Neurological Surgeon

**Doctor B, MD**  
Vascular Surgeon

# Physician Quality

**Doctor A, MD**  
**Neurological Surgeon**



**Doctor B, MD**  
**Vascular Surgeon**





# Physician Quality



**Recommended Doctor A, MD  
Neurological Surgeon**



**Recommended Doctor B, MD  
Vascular Surgeon**

# Pharmacy Charges

## Clinical Programming Examples

### Different Formulations, Same Ingredient

Original Rx	Cost/ 30 Days	Recommended Rx	Cost/ 30 Days
Alphagan 0.1% 10ml (B)	\$213.75	Brimonidine 0.2% 10ml (G)	\$4.51
Xolegel Gel 2% 45gm (B)	\$503.47	Ketoconazole 2% Cr 60gm (G)	\$28.49
Acuvail Droplette 0.45% (B)	\$222.11	Ketorolac Soln 0.5% 3ml (G)	\$4.98
Mupirocin Cream 30gm (G)	\$195.98	Mupirocin Oint 22gm (G)	\$6.68
Duexis (IBU 800/Fam 26.6) (B)	\$2,168.64	IBU 800mg/Famotidine 40mg (G)	\$6.17
Metformin ER 1,000mg (G)	\$3,223.33	Metformin ER 500mg x2 (G)	\$7.30

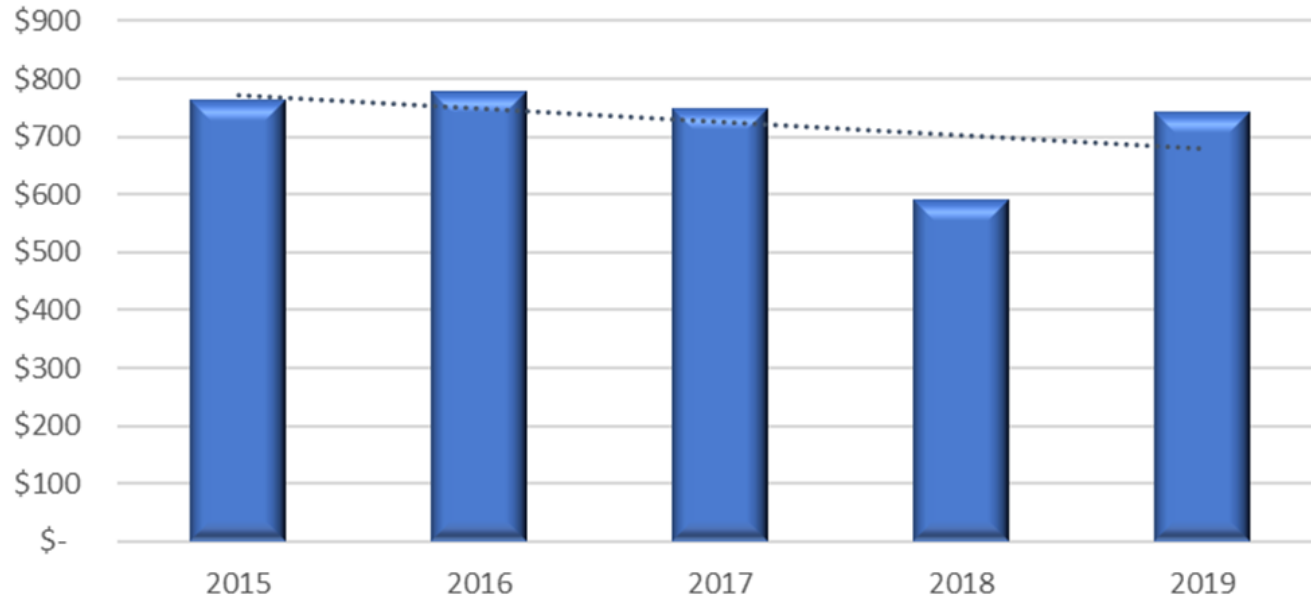
Clinical Management monitors the prescriptions filled and assist patients to move towards more cost effective solutions

- ex. Duexis: core ingredients are Ibuprofen and Pepcid



# Results

Pathfinder PEPM Trend



**Annual PEPM trend is 3.2% since 2015**

**Paid employee bonuses due to healthcare program success.**

**Pursuing programs to continue to add value back to employees**



# Financial Management

## Industry Update

Sarah Chestnut, Director of Public Policy and Technical Assistance, INARF



- Hospital Bill

- [HR 5443](#) introduced by Rep. Scanlon (D-PA) & Rep. Emmer (R-MN) – referred to House Energy & Commerce
- [S. 3220](#) introduced by Sen. Portman (R-OH) & Sen. Gillibrand (D-NY) to introduce companion bill – referred to Senate Finance
- Would allow states, if they choose, to include as part of their HCBS waivers the reimbursement of DSPs' time supporting individuals during short-term hospital stays

- Medicaid Fiscal Accountability Regulation/Provider Tax
  - Will not impact Indiana ICF/IDD provider tax
  - Would directly impact funding for nursing facilities and the Healthy Indiana Plan
  - Indirect impact on state Medicaid budget
  - December 2019 Medicaid forecast already projected a Medicaid shortfall without accounting for MFAR
  - INARF submitted comments focused on the potential impact on the overall state Medicaid budget
  - Future Impact
    - Potential Lawsuit
    - Potential Legislative Intervention
    - Indirect response could be managed care/block granting

- Block Granting

- January 30 – CMS announced the Healthy Adults Opportunity, an **optional** demonstration waiver to block grant Medicaid for working-age, able-bodied adults
- Would predominantly focus on the Medicaid expansion population
- No one who is eligible through the disability pathway can be included
- Allows states to choose between a per capita cap model or an annual spending block grant for the waiver population. States choosing the block grant option may share between 25-50% of the savings with the federal government. Revenue-sharing is not available to the per-capita cap option.
- States determine the delivery and payment models used, e.g. managed care, fee for service, or “innovative payment models” such as premium assistance.
- House Democrats passed a symbolic vote criticizing the plan, arguing that the guidance aims to hurt those who rely on the safety net program
- Litigation likely



- President's Budget – summaries from ANCOR and Bradley Associates
  - Not binding – Congress allocates federal funding
  - Provides indicator of policy priorities within CMS and issues they may attempt to change in other legislation or through regulatory action
  - 9% reduction for the Department of Health and Human Services (HHS) which funds Medicaid and Medicare
    - The Medicaid proposals focus on reducing fraud and abuse, implementing principles included in the Medicaid Fiscal Accountability Regulation, and significantly increasing claims edits and reviews as well as accountability for personal care services
  - 15% reduction for the Department of Housing and Urban Development (HUD), which includes housing assistance waivers for people with disabilities.
  - 11% reduction for the Department of Labor
  - Tacit support for the Senate's drug pricing legislation, which includes permanent renewal of the Money Follows the Person (MFP) program

- National Core Indicators Staff Stability Survey – 2018
  - 99 Indiana providers responded
  - Data for calendar year 2018

	Indiana	National
Average Hourly Wage	\$11.50	\$12.26
Weighted Average Hourly Wage	\$11.38	
Average <u>Starting</u> Hourly Wage	\$10.63	\$11.27
Weighted Average <u>Starting</u> Hourly Wage	\$11.65	

- Percentage of agencies that gave bonuses to DSPs: 51.6%
- Percentage of total hours paid that were OT hours: 9.6%

- National Core Indicators Staff Stability Survey – 2018

	Indiana	National
Turnover Rate	46.8%	51.3%

	Full-time DSP position vacancy rate	Part-time DSP position vacancy rate
Indiana	13.0%	12.7%
National	11.9%	18.1%



- National Core Indicators Staff Stability Survey – 2018

DSP Tenure	<6 months	6-12 months	12-24 months	24-36 months	36+ months
Indiana	18.2%	16.3%	19.0%	12.7%	33.9%
National	19.6%	14.7%	17.2%	10.1%	38.4%

Tenure among <u>separated</u> DSPs	<6 months	6-12 months	12-24 months	24-36 months	36+ months
Indiana	39.2%	18.8%	16.4%	7.3%	13.0%
National	34.7%	20.3%	14.3%	7.3%	12.1%

- Electronic Visit Verification
  - INARF sent a letter to Secretary Sullivan urging FSSA to exclude RHS Hourly, Respite, and PAC and eliminate the client verification requirement
  - February 10: Met with FSSA Leadership and shared that many members are awaiting final decision regarding RHS hourly, PAC, & Respite before rollout of EVV in services
  - Potential impact of waiver redesign – unclear

- Electronic Visit Verification
  - INARF EVV Status Survey
    - 35 respondents
    - 28 (80%) using alt EVV
      - 13 have completed the Testing Phase
      - 8 have received their Aggregator Production Credentials
      - 2 have begun rollout in services
    - 7 (20%) using Sandata
      - All have their login credentials
      - 1 has entered data for individuals served and DSPs
      - 1 has begun rollout in services
  - Don't wait to begin rollout – if you do, you face significant risk of not receiving payment as of 1/1/2021



- Office of Inspector General (OIG) CIH Waiver Audits
  - All provider initial audit visits complete
  - Auditors selected a sample of individuals served and requested a documents for a specific month
  - Auditors selected one service per person for a deep dive
  - OIG is currently conducting follow up with some providers regarding specific questions/documentation
  - OIG plans to share draft report with DDRS in May/June
  - After the state reviews the draft report and responds, the final report will be issued in August/September
  - Reminder: If recoupment of Medicaid funds is needed, OIG recoups from the state; the state recoups from providers

- Provider Reverification (aka Provider Reapproval)
  - To revalidate your status as a BDDS-approved provider of waiver services
  - Reminder: This is different than Provider Revalidation through IHCP/DXC to revalidate your status as a **Medicaid** provider
  - Legislative Update
  - [Provider reverification policies](#) effective February 9, 2020
  - Different requirements for providers of accredited services and providers of non-accredited services
  - INARF asked DDRS to reconvene workgroup to discuss implementation of policies and needed guidance, and they did
  - BQIS will also conduct a pilot of the new processes
  - Providers currently due for reverification are on hold until after the pilot is complete

- Provider Reverification (aka Provider Reapproval)
  - Annual review – all providers (about 336 total; 28 per month)
    - Document Review
      - BDDS Waiver Provider Information
      - Current Organizational Chart (Organizational leadership only)
      - Indiana Secretary of State active registration documentation
      - Financial information: Full audit for prior fiscal year and current operating budget OR Current operating budget, 12 months of bank statements and prior year tax return
      - Insurance documentation: Active policy that covers personal injury, loss of life, or property damage to an individual while receiving services from the provider



- Provider Reverification (aka Provider Reapproval)
  - Annual review – all providers
    - Document Review (continued)
      - Annual Satisfaction Survey: blank copy of the annual satisfaction survey, date(s) of survey, record of findings, and documentation of efforts to improve service delivery (e.g. QIP, data, new training, etc.)
      - All policies created or updated since its last reverification with substantive revisions since the previous year - Policies associated with changes in the BDDS Medicaid waiver services and supports, not personnel
      - Annual accreditation status report (if applicable)
    - Compliant with minimum standard? Yes/No

- Provider Reverification (aka Provider Reapproval)
  - Reverification year review
    - Every 4 years for providers of at least one accredited service
    - Every 2 years for providers with no accredited services
    - BQIS to review data from various sources, including:
      - Incidents
      - Complaints
      - Mortality
      - Case Record Reviews
      - Outstanding CAPs/Sanctions
    - BQIS will look for outliers. If BQIS cannot determine the cause of outliers, provider must provide explanation. If provider response indicates issues/concerns, provider may need to complete corrective action

- Provider Reverification (aka Provider Reapproval)
  - Services requiring accreditation:

## **DDRS Waiver Service**

ADULT DAY SERVICES (All levels)

CASE MANAGEMENT

COMMUNITY HABILITATION (Ind & Group) – (2020 Renewal will be Day Habilitation)

EXTENDED SERVICES

FACILITY HABILITATION (Ind & Group) – (2020 Renewal will be Day Habilitation)

PRE VOCATIONAL (All levels)

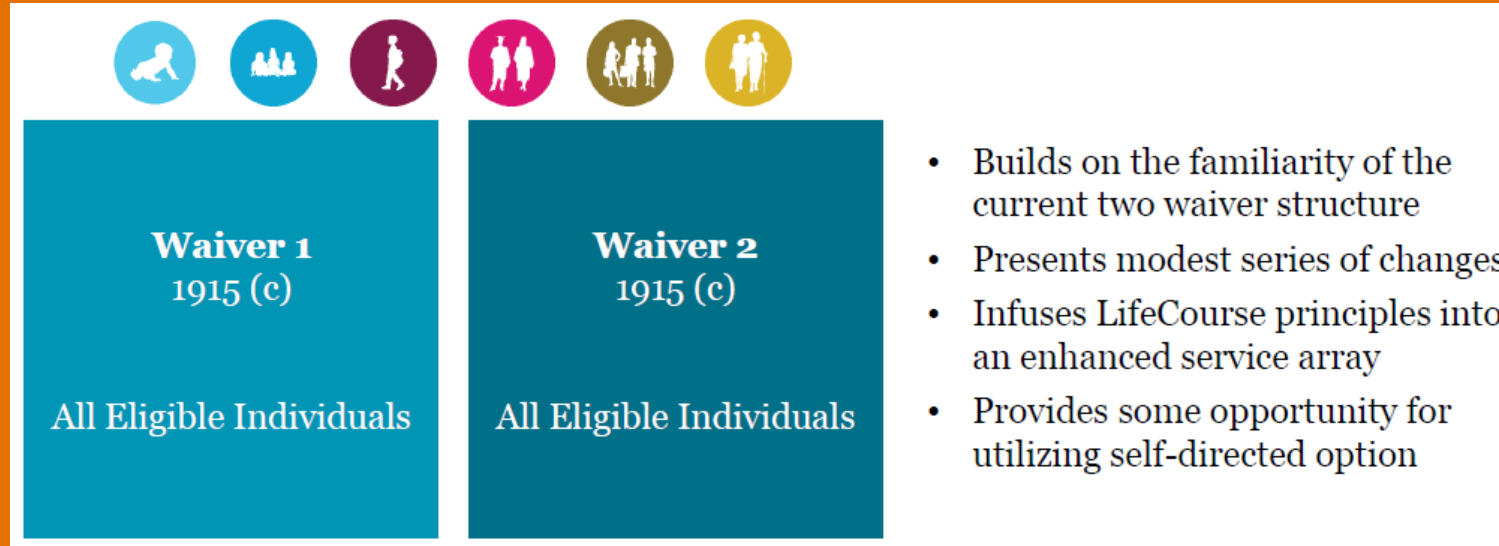
RESIDENTIAL HABILITATION SERVICES (All levels)

- Waiver Renewals
  - Submitted to CMS
  - Anticipated effective date: April 17, 2020
  - 40 hour rule
    - THANK YOU FOR YOUR ADVOCACY! – INARF members and your networks sent **152** messages
    - In response to significant public comment, BDDS adjusted language in the renewals
    - BDDS plans to build better capacity to monitor use of paid family caregivers to ensure an individual's rights are balanced against their support needs

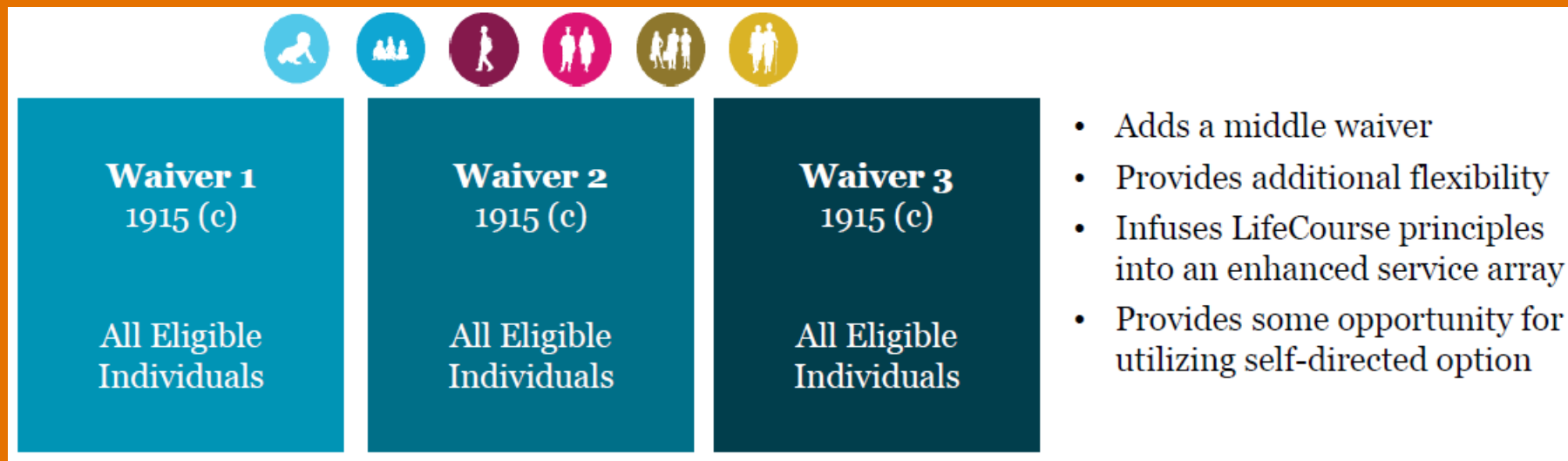


# Waiver Redesign – Waiver Structure

## Path 1: Two Waivers



## Path 2: Three Waivers




# Possible Service Changes

Current		New	
Extended Service	➡	Supported Employment	
Prevocational Services	➡	Learning and Work Experience	

Current		New	
Residential Habilitation & Support	} ➡	Residential Habilitation & Support	
Residential Habilitation & Support- Daily			

Current		New	
Family and Caregiver Training	➡	Family/Caregiver Supports	

- Clarify service names
- Group and simplify services
- Change or remove services
- Add new services

## Add New Services



Career Exploration



Housing Support Services



Healthy Living Services



Expressive Therapy Services



Peer Support and Community Connection

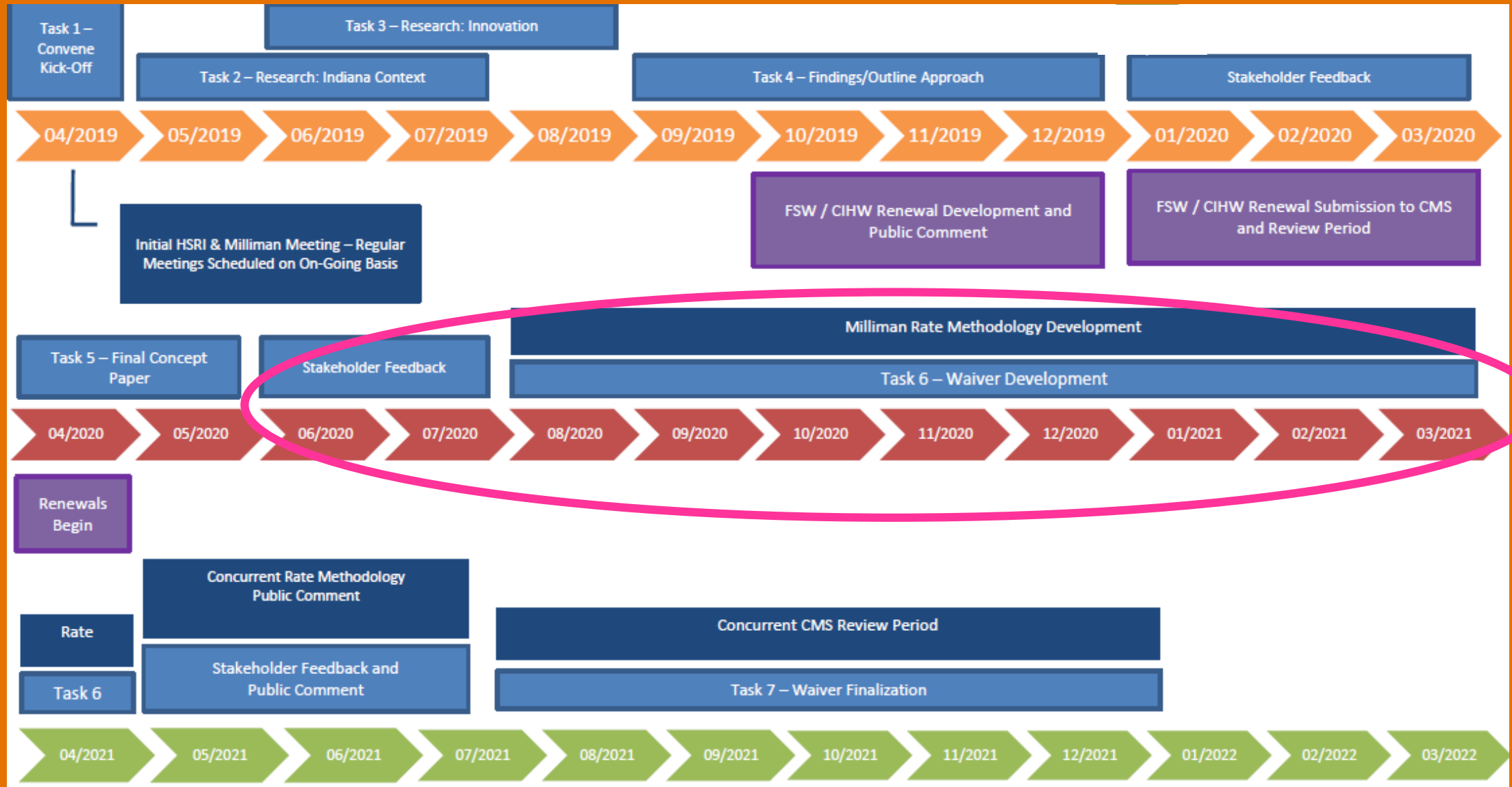


Participant Directed Goods and Services



Assistive Technology, Assessment, and Training

# Timeline





- Waiver Redesign – Initial Feedback
  - Insufficient detail so difficult to provide feedback
  - Most members seem to support 3 waiver configuration
    - Need changes to priority categories – what would this look like?
    - What would caps on Waiver 1 & Waiver 2 be?
    - Would the same array of services be available on all waivers?
  - Do maintain RHS daily rate
  - Do not bundle Wellness Coordination into RHS
  - Do eliminate Day Habilitation ratios
  - Support addition of Participant-Directed Goods and Services and Agency with Choice as first step towards Self-Directed Services
    - Which goods/services would be included?
    - Role of agency vs. participant as the employer
  - Shared Living (aka Structured Family Caregiving) rates must be increased to make service viable
  - Career Exploration; Peer Support & Community Connection – what should these services include?

- **Staffing of Non-24 Hour Residential Services**
  - If you are on the individual's plan as the provider for RHS-Hourly but are not providing the number of hours authorized on the plan, you are at risk of a complaint investigation and corrective action plan
  - Document the number of hours you have agreed with the IST that you will staff
  - On CCB, Case Manager can list TBA for hours needed but not committed to by provider
  - Determine if the number of hours authorized of particular service is consistent with the individual's needs or if hours could be better utilized elsewhere

- 1102 Task Force Agency Data Highlights
  - DOE One day count – students with IEPs: 180,000
  - DCS One day count – Children with IDD served by DCS: 669
  - DA
    - SFY19 A&D Waiver Recipients with IDD: 127 (5.08%)
    - Most used services: Respite, Attendant Care
  - DMHA
    - One day count – individuals with IDD in state psychiatric hospitals: 99
    - 10 discharge-ready individuals searching for an IDD provider
  - Individuals with IDD in nursing facilities
    - ISDH: One day count from October 2019 – 1,412
    - Institutional Modernization Workgroup January 2020 meeting: 5,448



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# Thank you!

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# Financial Management

## Section Discussion

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Kay Louth, Jay-Randolph Developmental Services, Inc.

Bobbie Harsh, Residential CRF, Inc.



# Thank you!

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