

Residential and Respite Cost Study

Proposed Rate Models - Fiscal Impact Analysis

prepared for:

Georgia Department of Behavioral Health and Developmental Disabilities

prepared by:

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Georgia Department of Behavioral Health and Developmental Disabilities

**Residential and Respite Cost Study
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**Georgia Department of Behavioral Health and Developmental Disabilities
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Proposed Rate Models - Fiscal Impact Analysis

Comprehensive Waiver and State Funded Respite, by Service¹

Procedure Code	Service	COMP Waiver Actuals				Current Published Rates				Proposed Rates		
		Members	Units	Paid	Avg. Rate	Pub. Rate	Cost at Pub.	Units	Avg. Rate	Est. Cost	Increase/ (Decrease)	% Change
<i>Community Residential Alternative^{2,3}</i>												
T2033	Group Home	2,587	680,843	\$105,389,656	\$154.79	\$158.67	\$108,029,359	726,632	\$234.35	\$170,288,230	\$62,258,871	57.6%
T2033	Group Home, Exceptional Rate ^{4,5}	431	104,269	\$34,578,857	\$331.63		\$34,578,857	110,844	\$271.09	\$28,265,829	(\$6,313,028)	(18.3%)
T2033	Host Home ⁶	1,442	402,346	\$62,516,808	\$155.38	\$158.67	\$63,840,240	430,787	\$167.44	\$67,369,979	\$3,529,740	5.5%
T2033	Host Home, Exceptional Rate ^{4,5}	39	7,756	\$2,201,446	\$283.84		\$2,201,446	8,287	\$188.28	\$1,460,312	(\$741,134)	(33.7%)
T2033	Unknown	244	51,546	\$8,005,265	\$155.30	\$158.67	\$8,178,804	55,419	\$223.78	\$11,535,050	\$3,356,246	41.0%
T2033	Unknown, Exceptional Rate ^{4,5}	41	8,859	\$3,163,571	\$357.10		\$3,163,571	9,529	\$256.80	\$2,274,963	(\$888,608)	(28.1%)
	Additional Group Home Staffing ⁵											
	<i>Subtotal</i>	<i>4,249</i>	<i>1,255,619</i>	<i>\$215,855,602</i>			<i>\$219,992,276</i>	<i>1,341,499</i>		<i>\$281,194,363</i>	<i>\$61,202,087</i>	<i>27.8%</i>
<i>Community Living Support</i>												
T2025-U5	CLS - 15-Minutes ^{7,8}	1,104	3,917,526	\$19,097,656	\$4.87	\$5.03	\$19,705,156	3,917,526	\$5.81	\$22,751,805	\$3,046,650	15.5%
T2025-U6	CLS - Daily ⁹	877	210,881	\$27,031,956	\$128.19	\$131.09	\$27,644,390	0		\$0	(\$27,644,390)	
	CLS - Daily ----> CLS 15-Minutes ⁹							6,240,778	\$5.74	\$35,822,063	\$35,822,063	
T2025-U6	CLS - Daily, Exceptional Rate ^{4,9}	114	26,795	\$9,315,940	\$347.67	\$347.67	\$9,315,940	0		\$0	(\$9,315,940)	
	CLS - Daily, Excp ----> CLS 15-Minutes ⁹							745,347	\$5.74	\$4,278,290	\$4,278,290	
T2025-U5-UC	CLS - 15-Minutes, Consumer-Directed ¹⁰	616		\$9,487,068			\$9,487,068			\$10,953,664	\$1,466,596	15.5%
T2025-U6-UC	CLS - Daily, Consumer-Directed ¹⁰	524		\$13,925,544			\$13,925,544			\$0	(\$13,925,544)	
	CLS - Daily, CD ----> CLS 15-Minutes, CD ⁹									\$18,044,953	\$18,044,953	
	<i>Subtotal</i>	<i>2,725</i>		<i>\$78,858,165</i>			<i>\$80,078,099</i>			<i>\$91,850,776</i>	<i>\$11,772,677</i>	<i>14.7%</i>
<i>Respite - Waiver</i>												
S5150	Respite - 15-Minutes ¹¹	10	2,345	\$9,542	\$4.07	\$4.21	\$9,872	2,345	\$4.82	\$11,303	\$1,430	14.5%
S5150-UC	Respite - 15-Minutes, Consumer-Directed ¹⁰	94		\$145,971			\$145,971	40,922		\$167,122	\$21,150	14.5%
S5151	Respite - Daily ¹²	66	1,037	\$93,444	\$90.11	\$96.00	\$99,552	1,037	\$171.55	\$177,896	\$78,344	78.7%
S5151-UC	Respite - Daily, Consumer-Directed ¹⁰	165		\$254,491			\$254,491	2,774		\$454,766	\$200,275	78.7%
	<i>Subtotal</i>	<i>301</i>		<i>\$503,449</i>			<i>\$509,887</i>			<i>\$811,087</i>	<i>\$301,199</i>	<i>59.1%</i>
<i>Respite - State Funded^{13,14}</i>												
	Respite - 15-Minutes		381,484	\$1,361,136	\$3.57	\$3.57	\$1,361,136	381,484	\$4.82	\$1,838,755	\$477,619	35.1%
	Respite - Daily		19,996	\$3,251,430	\$162.60	\$162.60	\$3,251,430	19,996	\$171.55	\$3,430,264	\$178,833	5.5%
	<i>Subtotal</i>			<i>\$4,612,566</i>			<i>\$4,612,566</i>			<i>\$5,269,018</i>	<i>\$656,452</i>	<i>14.2%</i>

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Proposed Rate Models - Fiscal Impact Analysis

Notes to Accompany Fiscal Analysis

1. The fiscal analysis is designed to estimate the cost or savings of implementing the proposed rates by 're-pricing' fiscal year 2014 utilization using the current published rates (including the recent rate increases) and the proposed rates. The estimate therefore does not account for caseload growth. Except as noted, the fiscal analysis does not account for changes to utilization patterns arising from policy changes.

2. The proposed Community Residential Alternative rate models would establish different per diem rates for Group Home and Host Home services. The rates are 'tiered' such that the rates for individuals with greater needs (as measured by the Supports Intensity Scale [SIS] and the Health Risk Screening Tool [HRST]) are higher than the rates for those with lesser needs. The distribution of units of service by rate category are based on members' most current assessments. The claims for members for whom assessment data was not identified were assumed to be distributed in the same proportions as for individuals without assessments.

For Group Homes (Community Living Arrangements and Personal Care Homes), there is one set of rates for homes with three or fewer residents and another set of rates for homes with four or more members.

Members' residential placements were derived from records provided by DBHDD. For those homes without a listing, provider survey responses were used to determine home type when possible. The rate for members who have not received an assessment is assumed to be the weighted average of the members who have received an assessment in the same placement and home size, as applicable. For residences that could not be matched to licensing or provider survey data, (labeled as 'CRA – Unknown Home'), residents' rates were based on the distribution of the other two home types.

	Total Units	Current Avg. Rate	Proposed Rate
Community Residential Alternative-Group Home			
4-Person Residence, Category 1 (Level 1)	25,494	\$154.51	\$154.52
4-Person Residence, Category 2 (Level 2)	76,636	\$155.53	\$214.46
4-Person Residence, Category 3 (Levels 3 - 4)	187,391	\$161.44	\$239.35
4-Person Residence, Category 4 (Levels 5 - 7)	130,643	\$215.45	\$253.96
4-Person Residence, No Assessment	47,149	\$170.84	\$225.29
3-Person Residence, Category 1 (Level 1)	23,512	\$155.37	\$178.26
3-Person Residence, Category 2 (Level 2)	60,340	\$155.17	\$234.68
3-Person Residence, Category 3 (Levels 3 - 4)	122,919	\$160.03	\$261.06
3-Person Residence, Category 4 (Levels 5 - 7)	83,321	\$239.18	\$277.00
3-Person Residence, No Assessment	27,707	\$181.90	\$253.44
Community Residential Alternative-Host Home			
Category 1 (Levels 1 - 4)	295,719	\$156.14	\$149.45
Category 2 (Levels 5 - 7)	75,849	\$165.02	\$185.23
Host Home, No Assessment	38,534	\$156.44	\$156.75
Community Residential Alternative-Unknown Home			
CRA - Unknown Home, Category 1	4,967	\$155.28	\$158.50
CRA - Unknown Home, Category 2	12,583	\$155.34	\$194.92
CRA - Unknown Home, Category 3	19,545	\$156.16	\$213.10
CRA - Unknown Home, Category 4	16,881	\$253.01	\$242.60
CRA - Unknown Home, No Assessment	6,429	\$174.18	\$208.88

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3. The proposed rates for Community Residential Alternative - Group Home and Host Home include an absence factor that adds a premium to the daily rate (based on a 365-day year) so that providers earn 365 days worth of revenue over 344 billing days. As this will be an increase from the current limit of 27 days per month (324 days per year), additional billable units were estimated. Each member's utilization was reviewed by month. For months in which there were billings for 27 days, members were assumed to have had zero absences in the month. Days of attendance were totaled for the year, up to the maximum of 344 days. This leads to a 6.7 percent increase in units for Group Home, a 7.1 percent increase in units for Host Home, and a 7.5 percent increase in units for those in unknown homes. Since there is no way to know whether a member for whom 27 days were billed in a month were ever absent, the assumption that members had zero absences in that month may result in a modest overstatement of costs.

4. The analysis assumes that exceptional rates are equal to published rates (that is, that exceptional rates would not change as a result of the recent rate increase).

5. The proposed rate models include a new service - Additional Residential Staffing - that would be used to authorize hours in excess of the rate model assumptions for Group Home and Host Home services. This service, which includes both a 'basic' and 'enhanced' rate based on staff qualifications, would be the basis for exceptional rate approvals. No estimate has been included regarding the frequency with which this service will be approved, which results in an overstatement of the likely reduction to exceptional rates (and, thus, total costs may be somewhat higher than projected). Further, current exceptional rates may include nursing or behavioral consultant support that will become separately billable. These new billings are not incorporated in the estimate, again overstating the likely reduction to exceptional rates.

6. The Category 1 rate model for Host Home services is 9.1 percent less than the current rate. To avoid a reduction to the base rate for this service, DBHDD intends to maintain the current rate (adjusting for the higher 344-day billing limit).

7. The proposed rate model for Community Living Support - 15 Minutes includes basic and extended rates. The basic rate is billed for visits of 11 or fewer units (2.75 hours) of service and the extended rate is billed for visits of more than 12 units (3.00 hours). To determine the number of units of service per day, claims were analyzed. First, the number of workdays in the span between claim dates for each member was calculated (because claims did not include both start and end dates), which presumes that members receive services five days per week. For a member's final claim of the fiscal year, the average number of workdays in the spans for that member over the course of the year was used. The number of units for that claim were divided by the number of workdays to determine whether the average was greater or fewer than 12 units. For any claims for which these calculations resulted in an average units per day greater than 26.5 units per day, the number of days in that span was adjusted to the actual number of days (that is, these members were assumed to receive services seven days per week rather than five).

8. The proposed rate model for Community Living Support - 15 Minutes includes two- and three-person group rates. The analysis assumes all services are provided one-to-one, which may result in an overstatement of costs.

9. Community Living Support - Daily is being eliminated. Members receiving this service will be transitioned to Community Living Support - 15 Minutes. Members may receive up to \$4,305 in support per month. For individuals receiving one-to-one supports, this is approximately equivalent to 187.5 hours (750 units). For members who share supports with another individual (that is, they receive one-to-two services), the monthly allotment is approximately equivalent to 340.5 hours (1,362 units). It cannot be determined from claims data whether members are sharing supports so the analysis assumes that all members receive one-to-one services.

DBHDD requested that the support coordination agencies report the number of hours of support per day received by each member for whom the CLS-Daily service is billed. This information was used to convert the Daily units to hours of support. For claims that could not be matched to the support coordination roster, the average hours of daily support across all members was used. Since the analysis assumes all members receive one-to-one service, the conversion of daily units to 15-minute units is limited to 9,000 units per year (750 units per month multiplied by 12 months).

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10. The analysis assumes that total spending on consumer-directed services will change by an amount proportional to the same agency-directed service.

11. The proposed rate model for Respite - 15-Minutes includes one-, two-, and three-person group rates. The analysis prices all units at the one-person rate so the estimated cost may be modestly overstated.

12. The proposed Respite - Daily rates are 'tiered' such that the rates for individuals with greater needs (as measured by the Supports Intensity Scale [SIS] and the Health Risk Screening Tool [HRST]) are higher than the rates for those with lesser needs. The distribution of units of service by rate category are based on members' most current assessments. The claims for members for whom assessment data was not identified were assumed to be distributed in the same proportions as for individuals without assessments.

	Total Units	Current Avg. Rate	Proposed Rate
Category 1	640	\$94.37	\$153.59
Category 2	303	\$79.60	\$209.48
No Assessment	94	\$94.98	\$171.55

13. State-funded respite payment data submitted by providers and summarized by the DBHDD was analyzed from July 2013 through January 2014, to determine average daily and hourly rates by provider. For providers with insufficient data, the average rate across all providers was used. These average rates were used to calculate the units using the provider totals from Regional Respite Billing for SFY2014. For providers with data detail, the proportion of expense for hourly service verses daily service was maintained. For providers with insufficient data detail, the average ratio of hourly to daily service was used.

14. The analysis assumes that the distribution of state-funded Respite - Daily services between Category 1 and Category 2 rates will be proportional to the COMP Waiver Population.
