

# Community Provider Network of Rhode Island

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REVIEW OF DEVELOPMENTAL DISABILITY SERVICE RATES IN RHODE ISLAND

# Developmental Disability Services Support

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**4350** of individuals served

- **1,189** of individuals in group homes
- **388** of individuals in Shared Living Arrangements
- **1,708** of individuals living with family
- **508** individuals living independently
- **737** of individuals in self directed services

**3793** select provided services (full array of services)

**737** select self directed services (fiscal intermediary model)

# Developmental Disability Services

## *Continued ...*

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Acuity assignment based on the Support Intensity Scale (SIS Assessment)

A - 562 individuals

B - 824 individuals

C - 1269 individuals

D - 502 individuals

E - 638 individuals

*\* Caseload data reported in Article 28*

# Developmental Disability Payment History

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**2008-2010** Review of payment structure

**2010-2011** RI contracted with Burns and Associates (BA) to redesign rate methodology

**2011-** BA rate analysis established a DSP wage rate of \$13.96/hr. (cost of services)

**2012** Budget included a \$10.5 million cut to the rate \$13.5 million in other cuts

**2018** and **2020** Budget increases included increases for DSP wages

# Payment Structure Changes

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## Pre-Project Sustainability

Bundled Payments

Daily rates

PMPM structured payments

Adaptable to changes in client acuity

## Current Payment Structure

Fee for Service

15 minute increments

Ratio based

Quarterly authorizations

Administratively cumbersome

# Impact

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Services became more restrictive to comply with new rate structure

Providers cut employee wages to align with new reimbursement model

Providers are experiencing high turn over rates and low retention rates

Providers had to invest in administrative staff to redesign billing practices

Many providers are experiencing financial instability

Limited access to service \* *no tracking mechanism in place to establish data set*

# Current Rate Review Process

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BHDDH has contracted with NESCO to conduct a review of the current rate

Preliminary findings report providers are financially unstable

Final Report will be issued in June 2020

*Note: CPNRI is analyzing data collected from provider surveys*

# Base Rates 2013 vs 2019

Hourly Wage	1-Apr-13	1-Jul-13	1-Jan-14	1-Jul-16	1-Jul-17	1-Oct-19
Direct Care Staff (DSP)	\$11.30	\$11.30	\$11.55	\$11.91	\$12.27	\$13.18
Direct Care Overnight	\$8.48	\$8.48	\$8.66	\$8.93	\$9.20	\$9.89
Direct Care Supervisor	\$16.95	\$16.95	\$17.33	\$17.87	\$18.41	\$18.41
Support Coordinator	\$19.78	\$19.78	\$20.21	\$20.84	\$21.47	\$21.47
Job Developer	\$19.78	\$19.78	\$20.21	\$20.84	\$21.47	\$21.47
Professional	\$27.52	\$27.52	\$27.52	\$27.52	\$27.52	\$27.52
<b>Fringe Benefits *</b>						
	<b>1-Apr-13</b>	<b>1-Jul-13</b>	<b>1-Jan-14</b>	<b>1-Jul-16</b>	<b>1-Jul-17</b>	<b>1-Oct-19</b>
Direct Care Staff	30%	30%	35%	35%	35%	35%
Direct Care Supervisor	26%	26%	30%	30%	30%	30%
Support Coordinator	26%	26%	30%	30%	30%	30%
Job Developer	26%	26%	30%	30%	30%	30%
Professional	26%	26%	30%	30%	30%	30%
* Includes the cost of health insurance premiums, dental insurance, vacation time, sick leave, personal days, life insurance, disability insurance, unemployment insurance.						
<b>Admin Percentage</b>	<b>1-Apr-13</b>	<b>1-Jul-13</b>	<b>1-Jan-14</b>	<b>1-Jul-16</b>	<b>1-Jul-17</b>	<b>1-Oct-19</b>
Used in every rate model	10%	10%	10%	10%	10%	10%

Over a six-year period there has been a \$1.88 increase to DSP base wage rate.

Over this same period supervisors have received \$1.46 in base wage increases

Fringe benefits have increased for DSP rate and no increases or adjustments to other employees, professional services, and administration over a six-year period

*\* Data Source BHDDH rate model sheet*



# NESCO Analysis Preliminary Findings

**Table 6: Agency Liquidity as Expressed in Months of Cash at the End of the Year**

Agency	Audit Year	Number of months of cash (End of Year cash/mnthly expenses)
Provider I	2017	0.26
Provider E	2017	0.28
Provider D	2017	0.44
Provider M	2018	0.49
Provider Q	2017	0.60
Provider D	2018	0.67
Provider E	2018	0.68
Provider K	2017	0.72
Provider H	2018	0.84
Provider F	2017	0.86
Provider L	2017	0.90
Provider G	2017	0.99
Provider C	2018	1.04
Provider Q	2018	1.07
Provider G	2018	1.18
Provider B	2017	1.33
Provider N	2017	1.44
Provider C	2017	1.80
Provider P	2018	1.87
Provider P	2017	1.99
Provider A	2017	2.02
Provider A	2018	2.61
Provider O	2017	3.15
Provider J	2018	5.02

**Providers Sampled**  
 5 had a surplus > 3%  
 6 had a surplus > 0 to 2.9%  
 9 had a deficit 0 to -3%  
 6 had deficit - 3 %

“Only two agencies met the standard of three months available cash as recommended by the Non-Profit Finance Fund” (Nesco Report)

# Need for Change

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- To meet consumer needs and promote community inclusion
- To stabilize the provider network
- To support a living wage
- To meet requirements of HCBS Final Rule
- To achieve Consent Decree requirements

# CPNRI Recommendations

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## **Reform rates to rate model in 2020**

- Remove quarterly authorizations
- Provide adjustment to base rate to account for anticipated minimum wage increase
- Establish inflationary increase based on CPI-U

## **Reform rate methodology in 2021**

- Review and consider alternative payment approaches as recommended by NESCO
- Align rate to cost of providing services
- Align rates to policy requirements (living wages, HCBS, Consent Decree)

# References

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Burns and Associates Final Report:

<http://www.rilin.state.ri.us/commissions/Sustain/commdocs/B%20and%20A%20Report.pdf>

NESCO Preliminary Findings Report

<https://documentcloud.adobe.com/link/review?uri=urn%3Aaid%3Ascds%3AUS%3Ae9d2b698-d3b8-4c59-be9a-9d5877301732>

2019 Rate Sheet for Developmental Disability Services

<https://bhddh.ri.gov/developmentaldisabilities/pdf/October%201,%202019%20Rate%20Increase%20-%20Rate%20Table.pdf>