



OCTOBER 26, 2022

CASELOAD ESTIMATING CONFERENCE

BHDDH DIVISION OF DEVELOPMENTAL DISABILITIES

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List of Attachments

1. Responses to Conferees' Questions for RI Division of Developmental Disabilities
2. BHDDH Rate Remodel Estimated Fiscal Impact 10.19.22v4
3. Self-Direct Request For Proposals
 - a. RFP-OSP-Service Advisement RFP Final_8.29.2022
 - b. RFP-OSP-Staffing Registry_Pool Final
4. BHDDH Comprehensive Plan Working Draft 100622 - (Rhode Island Statewide Workforce Initiative (with Vendor Sage Squirrel))

For FY22, Rhode Island’s Division of Developmental Disabilities (DDD) expenditures were **\$279M** All Funds, a **\$1.06M General Revenue deficit** compared to the November Caseload Estimating Conference and a **\$2.05M All Funds deficit**.

For FY23, DDD projects expenditures of **\$317M All Funds** which is **12% increase over FY22 spending**.

A. Summary of FY22 Fiscal Close

Services for Developmental Disabilities Program ended FY22 with a \$3.1 deficit, including \$1.06M in general revenue. As of FY23, each service category will have an assigned line sequence allowing the Department to identify spending by service category. The final completion of the shift to these new line sequences is under way with the MMIS, as the RIFANS accounts have already been created.

Table 1: All Funds Enacted vs Actuals

Consensus Caseload Estimates FY 2022	Final	Actual Expenses	Surplus/(Deficit)
Private Community Dev. Dis Services			
Residential Habilitation	\$ 167,000,000	\$ 169,179,359	\$ (2,179,359)
Day Program	65,900,000	64,910,877	989,123
Employment	4,200,000	4,281,783	(81,783)
Transportation	6,000,000	6,303,652	(303,652)
Case Mgt. Other Services	11,700,000	12,133,805	(433,805)
L9 Supplemental Funding	19,000,000	20,362,597	(1,362,597)
Non Medicaid Funded	2,496,505	2,238,290	258,215
Total	\$ 276,296,505	\$ 279,410,363	\$ (3,113,858)

Table 2: General Revenue Enacted vs Actuals

Consensus Caseload Estimates FY 2022	Final	Actual Expenses	Surplus/(Deficit)
Private Community Dev. Dis Services			
Residential Habilitation	\$ 65,330,400	\$ 66,182,965	\$ (852,565)
Day Program	25,780,080	25,393,135	386,945
Employment	1,643,040	1,675,034	(31,994)
Transportation	2,347,200	2,465,989	(118,789)
Case Mgt. Other Services	4,577,040	4,746,745	(169,705)
L9 Supplemental Funding	7,432,800	7,965,848	(533,048)
Non Medicaid Funded	2,496,505	2,238,290	258,215
Total	\$ 109,607,065	\$ 110,668,005	\$ (1,060,940)

B. Summary of Changes in FY23 Forecast

The projection model is predicated on using several factors and time periods, utilizing a caseload growth factor to determine the growth for the service categories, and establishing pre-covid, covid, and post-covid time periods that would show a growth back to pre-covid levels and beyond. With respect to the caseload growth, and the slower than anticipated growth back to pre-covid levels in several categories, estimates are based on actuals of FY22, taking the average amounts of expenditures for this time frame and applying the growth factor which projects a slower growth period over the remaining time frame for FY23. DDD had a rate increase in July 2022, which also presented another component when determining changes to the projection model, as it represents a better understanding and accurate picture of the projections. The projection model and forecasts do not have the anticipated rate increase in FY24.

Table 3: History of Expenditures by Service Category

Expenditures by Dollars	FY	FY	FY	FY	FY
Service Category	2018	2019	2020	2021	2022
Case Management and All Other Support Services	11,222,702	11,769,933	11,895,059	11,211,272	12,133,805
Day Program	52,480,364	54,798,636	54,671,587	52,806,528	64,910,877
Employment	5,992,155	7,027,166	5,533,017	4,064,849	4,281,783
Residential Habilitation and Supports	130,824,310	135,086,955	141,791,123	142,519,561	169,179,359
Transportation	8,200,244	8,572,280	7,127,545	4,534,043	6,348,406
Non-L9 Total	208,719,775	217,254,970	221,018,331	215,136,252	256,854,229
L9 Total	14,846,085	12,837,589	14,729,795	17,248,016	20,362,597
Grand Total	223,565,860	230,092,558	235,748,125	232,384,269	277,216,826

This table shows the last five fiscal years of actuals

Table 4: Expenditures by Service Category – Projections vs Adopted and Nov CEC Estimates

Expenditures by Dollars	FY	FY	Projections	Projections	Enacted	Difference		
Service Category	2021	2022	FY 2023	FY 2024	FY23	FY23 Projections vs May FY23	Enacted	%
Case Management and All Other Support Services	11,211,272	12,133,805	12,385,158	12,826,000	12,000,000		385,158	3.21%
Day Program	52,806,528	64,910,877	74,075,336	76,587,000	82,000,000		(7,924,664)	-9.66%
Employment	4,064,849	4,281,783	7,168,639	7,345,384	8,200,000		(1,031,361)	-12.58%
Residential Habilitation and Supports	142,519,561	169,179,359	189,826,947	194,519,000	195,800,000		(5,973,053)	-3.05%
Shared Living Enhanced Stipend	3,753,121	4,095,609	5,058,385	5,058,385	4,300,000		758,385	17.64%
Transportation	4,534,043	6,348,406	7,912,463	8,280,000	12,400,000		(4,487,537)	-36.19%
Non-L9 Total	218,889,373	260,949,838	296,426,927	304,615,769	314,700,000		(18,273,073)	-5.81%
L9 Total	17,248,016	20,362,597	20,701,946	21,440,000	17,000,000		3,701,946	21.78%
Grand Total	236,137,390	281,312,435	317,128,873	326,055,769	331,700,000		(14,571,127)	-4.39%

**Does not include non-medicaid funded*

With respect to the table above, the projections are less than 3% under the original November projections with the forementioned changes above, showing \$2 million less in expenditures than previously projected. The differences include L9 supplemental funding by an increase of \$3 million compared to projections, and \$3.3 million compared to the adopted budget.

Overall, the forecast for FY23 has been adjusted to over \$317 million, which includes the rate increase for FY23, while the forecast for FY24 is projecting \$326 million, a \$9 million difference from FY23 Estimates, which only includes the rate increase for FY23.

C. L9 Additional Funding

With respect to FY22, L9 supplemental funding has shown increases, as the final total was \$20.3 million compared to \$18.8 that was projected for FY22. The increase in additional funding is directly related to the wage increase in FY22. During the pandemic there was a slight increase for issues directly to COVID, but there has been a decline for requests for additional funding for FY22.

The overall funding for the L9s did not significantly decrease when the authorizations moved from quarterly to annual, because there was no shift of funds. When individuals request additional funding with money in their current budgets that had not been used, instead of authorizing

additional funding for these individuals the unutilized funding in their budget would be moved to the line item for which the request was made when there was an approved documented need. The L9 funding that was being spent was a true account of the additional funding that was needed above individual tier funding levels. Out of the \$20.3 million in services funded by L9, \$16.1 million has been for Residential Habilitation and Supports.

L9 Data Tracking and Reporting

In June 2022, the L9 supplemental funding database, which was previously hosted in a system termed "P550" was migrated to a new database with updated features that captures several more facets of information related to reasons for requesting additional funds, an updated approval process, and decision outcomes for these requests. Other additional improvements to capturing better information related to these requests, was the ability to select detailed request reasons for each request, offer more fields for better record keeping and notes for each case, a form view to see the historical records for any individual, and the ability to create S110 letters directly from the database with a semi-automated process. The process also was streamlined and accessibility for users, and provide weekly reports for any open requests, along with reports contain year over year logs of requests that have been entered into the database.

Another vital part of the database is that it also hosts our extension and appeal requests, with the ability to upload any documentation needed to help render a decision.

Lastly, Therap reporting measures are being incorporated within this database, where a fiscal user inputting these requests can see immediately what an individual has been approved for with a tier package, whether they need a new SIS-Assessment, and other vital information that is crucial to the decision-making process on these requests. These are uploaded on a weekly basis to contain the up-to-date information for any individual entered in the database.

D. Workforce Stabilization

The impact on the workforce from the pandemic has been significant. The difficulty in finding and retaining staff is being felt throughout the workforce of those who provide service to adults with intellectual and developmental disabilities. In residential care the staffing shortages have created increased costs due to overtime and turnover. The shortages have also caused the inability for agencies to provide much needed residential supports to youth in transition and to individuals who are in acute psychiatric units waiting needing placements after being discharged from psychiatric hospitalization. The providers' inability to provide the supports creates secondary strain on other systems, i.e., DCYF programs and psychiatric hospitals.

Day and employment programs are slowly beginning to reopen but are also impacted by staffing crisis. These programs were particularly impacted during COVID as staff were pulled from these to assist in group homes. While the rate increases recently enacted have begun to address this issue, the shortages continue and remain at a critical level. Many individuals with disabilities who desire to work or access the community are unable to do so due to the lack of service providers who can support them in meeting their needs.

In FY23, the Medicaid rates will increase again and direct support professionals starting wages were increased to \$18 an hour, with the intent to increase to \$20 for FY 24. This is one strategy the State is has agreed to build capacity within the Direct Support Professional (DSP) workforce. Additionally, the State has engaged in a Statewide Workforce Initiative to recruit and retain, train, and professionalize staff to work with adults with developmental disabilities.

As documented at the April 27, 2021 Consent Decree hearing, there is currently not sufficient capacity to meet the requirements of the Consent Decree. **As of 12/31/2021, the stability survey showed a service gap of 618 direct support staff.**

E. Enhanced SLA Stipend Expenditures

The Enhanced SLA Initiative has been funded since August of 2020, originally intended for support during the pandemic. This initiative ensures individuals in SLAs continue to receive necessary supports during the day hours when they would typically be receiving supports during this time by someone other than the SLA Contractors. Many of the SLA Contractors need to take time off their jobs to stay home with the people they support. It was an increase in support, so the Division compensated them for this endeavor. The cost for this program in FY 22 is \$4,095,609 and the estimated cost for FY23 is \$5,058,385. There are 252 individuals who have been funded through this initiative, of which, 171 are currently receiving this funding.

Going forward, this will be addressed by the rate review and payment methodology project.

F. Caseload Growth and Trend Development

Overall caseload growth has decreased with FY22 showing a flat overall growth rate compared to previous years, giving a slight decrease from 6 overall average net monthly caseload growth to 5, which annualized would be 60 new cases overall. Because of this, our current projection will show a decrease from our May projections, with FY23 showing 4045 distinct individuals (down from 4061 cases projected in May) and FY24 showing 4105 distinct individuals.

Table 5: Summary of Total Caseload Growth with average net growth

Caseload Individual Count	2018	2019	2020	2021	2022	2023 Forecast												2024
	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jun-24
Overall Caseload	3771	3838	3820	3989	3985	3990	3995	4000	4005	4010	4015	4020	4025	4030	4035	4040	4045	4105
Change +/-	95	12	7	11	-5	5	5	5	5	5	5	5	5	5	5	5	5	5
Average Monthly Case Net Growth				6	5													

*Avg monthly case net growth decreased from 6 to 5

This table shows the average net case growth at the end of FY22, and the reevaluation of that growth with actuals for FY23.

As outlined here, BHDDH anticipated that caseload in May 2022 that caseload levels will continue to have slow growth back to pre-covid levels, which has been slower than expected, notably in Day Program, Employment, and Transportation. However, the increase in expenditures is due directly to the rate increase in July 2022, increasing DSP wages from \$15.75 to \$18, which has been reflected in our projections.

Table 6: Total Caseload Change by Service Category

Service Category	Nov FY22 Estimate	May FY22 Estimate	Nov FY23 Estimate	May FY23 Estimate	FY22 Change	% Change
Residential Habilitation	2,949	3,256	3,001	3,313	+307	10%
Case Mgmt & Support Services	3,651	3,480	3,715	3,542	-171	-5%
Day Program	3,160	2,503	3,216	2,547	-657	-20%
Employment	1,064	719	1,083	732	-345	-32%
Transportation	2,092	1,457	2,129	1,483	-635	-30%
L9	571	511	581	520	-60	-11%

G. Rate and Payment Methodology Changes

DDD is undertaking a comprehensive review and restructuring of provider reimbursement rates and payment methodology. Final recommendations will be completed by December 1, 2022.

The goal of this endeavor is to support improved long-term outcomes for adults with I/DD receiving services from DDD. DDD is shifting towards a system of community-based supports that promote individual self-determination, choice, and control. While in practice the system has been moving in that direction, the current rate structure and payment methodology are rooted in more facility-based congregate care not fully aligned with this new direction.

Any recommended new rates, payment methodologies, and service structures will need to promote, engage, and use flexible and responsive community resources in the least restrictive environment to assist individuals to build and maintain relationships, supports, and independence. DDD aims to facilitate innovation and flexibility, add new services to the array with appropriate rates for each service, generate greater value for taxpayers, and ensure transparency and accountability. This review will also explore, model, and recommend actuarially sound options, including Alternative Payment Methods (APM) and/or Value-Based Payment (VBP) models, that offer financial flexibility, expand access, promote value, quality and cost-effectiveness, foster continued development of community-based supports, including nonmedical interventions that address social determinants of health.

The vendor, Health Management Associates (HMA) is currently working on the rate remodel project with the final recommendations to be completed by December 1, 2022. At this point, the high-level estimate reflects a 20% increase, which does not include a caseload growth factor. Please refer to attachment labeled BHDDH Rate Remodel Estimated Fiscal Impact 10.19.22v4.pdf which contains a **DRAFT** brief estimate for the broad service categories by tier categories with the proposed increases outlined. This proposed rate structure includes the DSP wage average increase recommended to \$22.14.

The magnitude of the recommended rate increases, which are in addition to significant increases in July 2021 and July 2022, are driven by a few key factors:

- Prior to the rate increases in recent years, there had been few rate changes since the fee schedule was first adopted about a decade ago. Further, the rates that were adopted were less than what Burns & Associates had recommended in order to conform to legislated budget reductions. As a result, a significant portion of recent increases represents ‘catch-up’ funding.
- The largest rate increases are associated with services that have not received the recent rate increases (e.g., Shared Living Arrangement and Professional Services).

- The recent rate increases as well as the rate study recommendations are driven primarily by investments in the direct support workforce to respond to ongoing workforce challenges and to improve the quality of services. The \$22.14 wage assumption represents the highest direct support professional wage amongst other states where a documented rate methodology has been identified. Additionally, the rate models include a comprehensive benefits package, including paid time off and health insurance.
- The rate models also include additional funding for program support, which primarily includes staff who are not direct care, but who support quality services (e.g., supervisors, trainers, program development staff, etc.).

The table below provides utilization figures for new/updated services that may be proposed to add/update to Rhode Island’s service array.

Service	Total State Reviewed	States w/ Service	Utilization (Users ÷ Population)			Wt. Avg Units per User	Notes
			Min	Max	Wt. Avg		
Companion Room & Board (Typically Month or Day)	38	6	0.01%	0.16%	0.12%	-	Units depend on unit type
Discovery (15 minute units)	38	4	0.12%	0.12%	2.27%	319	Units per user reflect 3 of 4 states
Peer Support (15 minute units)	38	5	0.01%	1.57%	0.73%	143	
Remote Supports (15 minute units)	38	7	0.09%	3.54%	0.82%	2,476	Units per user reflect 5 of 7 states
Support Facilitation (15 minute units)	38	7	0.07%	63.98%	24.29%	211	Utilization will depend on participation in CD Units per user reflect 4 of 7 states
Vehicle Modifications (Cost per Person)	38	14	0.01%	0.88%	0.16%	\$11,392	
Workplace Assistance (15 minute units)	38	3	0.12%	0.22%	0.15%	1,513	

H. Consent Decree

The State negotiated terms in an Action Plan that was submitted to the Federal Court on October 21, 2012. The Action Plan terms the state needs to adhere to are as follows:

- **Develop a Transition and Transformation Plan in two phases in the amount of \$12 million;**

- **Phase I** funding has been released to the grantees in the amount of \$4 million AF.
 DDD received \$4M in ARPA funds that are being used for a transformation initiative. This funding was made available to licensed Developmental Disability Organizations to focus efforts on recruitment and retention of Direct Support Professionals to build staff capacity for service provision to adults with disabilities. There were 29 applicants, and all were approved. Funds were distributed on February 18, 2022.

 To measure outcomes, the Division and the Court Monitor will request the providers participate in the Staff Stability Survey. Providers will also need to submit additional documentation on progress toward outcomes at 6 months, 12 months, and 18 months into their initiatives. Providers signed an MOU, which can be found as an attachment to this document.
- **Phase II** applications are due on May 1, 2022; funding will be \$6 million AF.
 These transformation funds will be used to fund innovative service models to improve employment outcomes and community access for adults with intellectual and developmental disabilities.
 - To-date, \$5,047,807 has been distributed to 27 agencies. There are four agencies outstanding for \$959,582. Please refer to Nov 2022 CEC Questions – BHDDH.xlsx, tab 7 – Transformation Fund II, which contains the information for each provider and whether they have had their funds distributed.
- **Self-Directing funding will occur in FY23 in the amount of \$2 million GR**
 This funding will address the need for service advisement and a substitute staffing pool.
 - The RFP has been completed and bids are open until November 11th. The current scope for the project will support brokerage for and staffing pool/registry.
- Develop a **Technology Fund** in the amount of \$2 million;
 - Requests for funding for participants are currently being solicited. Requests will be reviewed and awards will be made quarterly.
 - To-date, there has been an estimated \$139,695 paid for 265 individuals. The second round of payments are scheduled for mid-November.
- Incrementally increase Medicaid rates to enable providers to **increase direct support professional hourly wages**;
 - Rates were increased in FY23 to increase starting wages to \$18.00 hour.
 - Rates are expected to be approved in FY24 to increase starting wages to \$20.00 per hour.
- Develop a **Statewide Workforce Initiative**;
 - The Statewide Workforce Initiative convened and is being administered through four workgroups.
 - A Governor’s budget amendment was just submitted that included \$900,000 to fund an RFP for a vendor to support the Statewide Workforce Initiative. The vendor selected is Sage Squirrel and work is underway.

- Participate in the Caseload Estimating process;
- Complete the **Administrative Barriers workgroup** process by March 31, 2022;
 - The workgroups have completed their tasks and a final report was submitted on March 31, 2022.
- Complete the process to **allow RIPTA services to be matched by Medicaid**
 - In consultation with EOHHS, several issues were identified with creating a non-medical transportation certification standard for Medicaid providers. EOHHS and BHDDH determined that a RIPTA contract may be developed and that funds may be matched to Medicaid without RIPTA becoming a RI Medicaid provider.

I. Employment Program

DDD has continued stakeholder engagement to determine best course for employment support services. There have been several meetings with a variety of stakeholders to receive input from the community. A primary focus was what worked with the PCSEPP program and what people would like to have embedded in employment support services.

More targeted engagement is expected for the future with youth in transition. Working on sequencing funding to provide intense supports to youth so they have improved employment outcomes prior to school exit. This falls in line with recommendations for the Consent Decree Court Monitor.