Testimony
Department of Human Services
Human Services Committee
Representative Damschen, Chairman
July 30, 2013

Chairman Damschen, members of the Human Services Committee, I am Tina Bay, Director of the Developmental Disabilities Division, of the Department of Human Services. I am here today to provide an update of the development of a new Developmental Disabilities Reimbursement System pursuant to Section 1 of 2011 Senate Bill No. 2043.

The current payment system for developmental disability providers is a retrospective cost settling system. This process includes establishing interim rates, cost reporting, an in depth audit process and cost settling. From start to finish this process can take up to 36 months.

House Bill 1556 passed during the 2009 Legislative Assembly. This bill instructed the Department of Human Services (Department) to contract with a qualified independent contractor to study the methodology and calculations for the rate setting structure used by the Department to reimburse private, licensed developmental disability providers. Results of the study were shared with the Long-Term Care interim committee in September 2010. As a result of the recommendations from that committee, Senate Bill 2043 was introduced and passed during the 2011 Legislative Assembly.

Senate Bill 2043 instructed the Department, in conjunction with developmental disabilities service providers, to develop a prospective or related payment system with an independent rate model utilizing the Supports Intensity Scale (SIS). Further instructions of SB 2043 were to

establish a steering committee consisting of representatives from all interested providers and the Department. This committee was to guide the development of the new payment system including assisting a consultant to conceptualize, develop, design, implement, and evaluate a new payment system.

In September 2011 the Department contracted with a consultant who released their final report in June 2013. The final report is a collaboration of the consultant's expertise and the direction the steering committee provided during the past two years.

In December 2011 the Department contracted with a vendor to complete the assessments utilizing the SIS. The initial adult assessments continue, and are expected to be completed by June 2014. The children's SIS assessment tool has not been finalized by the national vendor. We expect the children's tool to be finalized in the later part of 2014 and estimate the child assessments will take approximately six months to complete.

We continue to work with providers to move toward implementation and address impacts that are expected moving from a retrospective to a prospective rate setting system.

The Department will need to revise administrative code, amend its Medicaid State Plan and Medicaid waiver, and ensure the technology systems capture the necessary information from the assessments and support claims payment.

Due to the work that still needs to be completed, the Department expects implementation will occur no sooner than July 2015.

This concludes my testimony, and I would be happy to answer any questions you may have.