**DISCUSSION DRAFT**

*Approach to Waiver Reimbursement Pilot (Short and Long Term)*

Community services play a vital role for people with intellectual and developmental disabilities and their families. Community services for people with I/DD who are enrolled in Medicaid has driven enormous progress in helping people lead independent lives in their communities, rather than being served in isolation in costly institutions. Yet in Ohio and across the nation, the system of community services is challenged by cumbersome requirements that at times favor administrative processes over service provision and flexibility to meet individual needs. The system faces significant challenges recruiting and retaining the qualified direct service workforce that must be addressed to maintain the quality of services for people with I/DD. There are opportunities for appropriate alignment of this system with movement of the nation’s overall health care system toward paying for value and outcomes.

Since October 2017, under the leadership of the Ohio Department of Developmental Disabilities, representatives of organizations who work to improve the health and well being of people with intellectual and developmental disabilities in Ohio have met to discuss whether new, innovative models of paying for care for Ohioans with IDD could help address these challenges, and what models could best do so. (The workgroup members are identified at attachment A.) The group was briefed on models that have been developed in other states, including Arizona, Arkansas, Iowa, Michigan, New York, North Carolina and Pennsylvania and met with CMS to discuss value-based purchasing and the future of performance-based systems in IDD HCBS waiver systems.

Based on this work, the group agreed to prioritize giving people with disabilities and their families greater control to decide what services and outcomes they want, who provides services, and how much is paid for those services. To accomplish this, providers and county boards, both of whom are central to providing services to this population in Ohio, need greater flexibility to support the individual in attaining their chosen outcomes.

To make progress toward a simpler, more effective system of care that increases flexibility to support individuals and families, the group proposes to undertake a two-phase pilot to strengthen care for people with IDD in Ohio. This paper describes the issues, the pilot, and the proposed process going forward in further detail.

*Statement of the Problem*

The workgroup wants to move toward a system that promotes efficiency, outcomes, and paying for value. Our primary concerns with the current system are:

* It is based on activities (units of staff time) rather than on outcomes for people served. Disproportionate resources are dedicated to time-intensive administrative activities and documentation that add little or no value to the care being provided.
* The de facto solution for people with IDD that present for services is a staff-centric intervention.
* There are limited resources in the system and thousands of Ohioans are waiting for services.
* The direct support professional (DSP) workforce crisis is a major factor that places the greatest challenge to achieving positive outcomes for people with IDD. The need for meaningful interventions to strengthen this workforce is urgent and cannot be deferred.
* The DSP crisis is evident in the 10 – 20 percent DSP position vacancy rate, a 50 percent DSP turnover rate, and DSP wages that hover around poverty level. Combining these workforce challenges with the staff-centric model of our system, drives significant systemic challenges in Ohio that risk compromising high quality care for this population, and undermining rather than advancing the availability of community-based services that are essential to foster the independence and well-being of people with I/DD.

The group believes that the system can and must be improved, and that the best day to move forward is to pilot a more innovative approach to financing services for people with I/DD.

*Strengthening the IDD system through a pilot*

The subcommittee’s intention is to move Ohio’s system toward a model centered on the individual. It would place greater decision-making authority with the individual/family, simplify administration, and make some payments based on outcomes. Specifically, the subcommittee proposes that Ohio begin a pilot in 2019. The goal of the pilot is to create value for individuals, families, county boards, providers, and the state by promoting outcomes and simplifying administration.

The first phase of the pilot would make three key changes:

1) streamlining waiver assessment tools to result in one resource allocation tool

2) incentivizing a small number of key workforce quality initiatives

3) eliminate onsite/on call as a service, including the use of remote supports and h/pc

DODD recently proposed regulations that would establish within the Ohio individual options HCBS waiver a monthly rate apportioned daily, in lieu of 15-minute budget increments for homemaker/personal care services when individuals share services of agency providers at the same state. This pre-pilot phase lays the groundwork for phase one.

The second phase of the pilot would employ one uniform assessment/resource allocation tool, develop a budget that individuals could use to hire staff, make tradeoffs between staff payment rates and hours of services provided, and determine what outcomes the services would support.

Specifically, in the second phase, individuals will identify the outcomes that they are pursuing and choose the provider (from among participating providers) that will serve them. These decisions will be made by the individual served and agreed upon by the individual and their team (including the individual’s family, other nonpaid supports, service and support administrator (SSA) and provider).

Based on these individual decisions, providers and the individual/family will have flexibility to design and implement strategies to achieve outcomes. Within parameters set by the system, individuals/families will have more latitude to negotiate services and rates with providers. Individuals and family members will have the discretion to pay their direct support professional a higher hourly wage by negotiating with the provider, in the provider’s rate. Providers in turn, will be able to pay a higher wage to their direct support professionals who work with that individual. The individual may need to consider that they will be able to get fewer hours, if they increase the hourly rate. This will help address workforce issues in community services.

The pilot will include financial incentives for providers to achieve outcomes. This may be in the form of shared savings, performance-based incentives, per member per month funding, acuity-based case rates, or other method(s) for aligning the payment system with desired outcomes.

Person-centered outcomes chosen by people served by this pilot will be used to measure the performance of the pilot by evaluating the success of the chosen outcomes in relation to the stated principles of the pilot.

Through this person-centered approach, consistent with system requirements, individuals/families will be empowered and educated to design, implement, evaluate and revise services within their budgetary limit that best meets their needs/achieve their chosen outcomes.

The specific elements of this approach will be developed with and agreed to by individuals/families, providers, and county boards and would be consistent with Ohio rule, statute, approved waivers and federal requirements. Accountability systems will be developed for providers to report to the services delivered, progress on outcomes, and spending. These reports will be accessible to the individual/family, county board and state. Over time, the results of the pilot would be assessed and built on to advance a system of care for people with IDD.

*Status and Proposed Process*

The group and the state are moving forward with key elements of phase one of the pilot. In addition, over the course of the fall, the subcommittee will obtain input from key stakeholder groups. It will use this feedback to flesh out specifics with respect to the three elements of the first phase of the pilot, as well as to develop potential longer term approaches to expand the pilot over time. The subcommittee will review and incorporate this feedback as it makes decisions on its final recommendations.

**Tasks and Timeframes:**

**September/October**

DODD is issuing regulations to establish a day rate, as well as the streamlined waiver assessment tools. The group is considering a proposed approach to establish a discrete set of workforce initiatives that would serve as quality measures tied to increased provider payment to be used for DSP pay.

Stakeholder engagement: Three-four individual focus groups with county boards, providers, people with IDD and their families, and state staff.

**November**

Report stakeholder feedback to subcommittee

Subcommittee decisions on specific pilot design elements (select workforce initiatives for quality measures, develop specific approach to onsite/on call)

**December**

Present concept paper to DODD

**Attachment A: Subcommittee members**

This group is a subcommittee of the DODD Waiver Workgroup initiated by Lori Horvath. Any member of the DODD Waiver Workgroup and the waiver pilot participants were welcome to join the subcommittee. The subcommittee participants included:

Lori Horvath DODD

Amy Coey DODD

Carol Ansel Madison County Board (Co-Chair of subcommittee)

Than Johnson CRSI (Co-Chair of subcommittee)

Scott Delong CRSI

Jamie Steele OVRS

Wylie Jones LADD

Dana Charlton Ohio Self Determination Association

Ginger Kavalauskas Butler County Board

Steve Beha Arc of Ohio

Debbie Jenkins OHCA

Saul Bauer Logan County Board

Susan Thompson Madison County Board

Larry Macintosh Franklin County Board

Janet Stephan RMS

Diane Beastrom Koinonia

Tom Weaver Choices in Community Living

Mark Davis OPRA

Rachel Sielski Cuyahoga County Board

Deb Lyle Values and Faith Alliance

Jennifer Becknell Hamilton County Board

Scott Erenpreiss Franklin County Board

Jenny Rousculp-Miller Clark County Board

Marc Davis Community Options

Nancy Housman ViaQuest

**Attachment B: Statement of Principles**

The subcommittee developed a set of principles that will guide its ongoing work. The principles reflect the goals and objectives the subcommittee considers to be of the highest importance in discussions of whether changes to the current model of caring for people with I/DD should be considered, and if so what those changes might be.

1. No person with IDD should lose needed services
2. Use the person-centered planning process to achieve community integration and enhanced community connections
3. No loss of current funding
4. An adequate workforce must be available
5. People with I/DD must be healthy and safe, but not be denied the dignity of risk
6. Funding must relate to the cost of living
7. Change financial incentives so they get us where we want to be
8. Reduce administrative cost
9. Give people with disabilities, families and guardians greater control: allocate the person the budget and, with conflict free support, allow the person to decide what they want/their outcomes they want, and select who provides the service and what is paid.
10. Greater flexibility for providers and county boards to support the individual to achieve their desired outcome.

**Attachment C: Four pillars**

The subcommittee agreed on four pillars for any waiver reimbursement pilot. These four pillars provide strength and support for our vision and will further direct the actions of this pilot. Our vision is a waiver reimbursement system that aligns with our guiding principles and these four pillars:

1. The pilot shall provide supports to sustain a viable, available and qualified workforce that assures quality services
2. The pilot shall incentivize and document outcomes for people served
3. The pilot shall support person-driven services and budget authority. (We need to assure that people with IDD drive the service plan within their budget constraints set by the system. This is not a system where “everyone gets whatever they want”. Rather, it’s a system where people with IDD are supported to make decisions about their services that support assessment-based outcomes chosen by them and that are affordable given their budget. People’s budgets would be assigned by a systemic approach to resource allocation for the entire waiver population.)
4. The pilot shall build on and utilize the assurance of trust by systems of accountability in our field. (The pilot needs to assure accountability to actual services provided and the status of the individual’s progress on their chosen outcomes. The pilot cannot jeopardize the trust that has been carefully built over the past decade between individuals/families, county boards and providers. We need to assure transparency of services, outcomes and services budget.)