



County Boards Propose Financial Relief for Providers

The dramatic increase in COVID-19 transmission that has occurred from October to November 2020 all but guarantees that residential providers will soon be inundated with localized outbreaks among staff and residents. If the outbreaks continue unabated, residential providers may find themselves managing catastrophic staffing situations well into the new year. For this reason, OACB requests the

State of Ohio consider any of the following options (or a combination therein) to ensure these providers have the resources they need to maintain services during this critical time. These are divided into two groups based on the time required to implement the proposals.

Short-Term Support Options for Residential Waiver Service (HPC/OSOC/OSL) Providers

Short-Term Option 1. One-Time Payment: OACB supports the distribution of a second residential provider relief payment similar to that which was distributed in September 2020 to all HCBS residential service providers (HPC, on-site on-call, and Ohio Shared Living).

- Like the September 2020 payments, this second round of payments would be distributed by the State of Ohio to all qualifying providers based on their proportion of recent Medicaid billings from a to-be-determined billing period. Payments would be sent separately from the provider's normal payments for billable services.
- The total amount of this one-time payment would be subject to negotiation between the State of Ohio and county boards of DD, and would be dependent on the availability of state, local, and federal funds.
- This one-time payment will require amending the State of Ohio's Appendix K application. OACB strongly supports such an amendment as soon as possible on behalf of Ohio's 88 county boards.

Short-Term Option 2. Locally-Funded Provider Supports/Grants: OACB supports the continued efforts of individual county boards to support providers using local, unmatched funds and encourages boards to continue doing whatever they can to ensure the health and safety of people with developmental disabilities while long-term options are evaluated.

Examples of innovative solutions implemented at county boards thus far include direct cash support, board-operated sanitization services (especially for transportation providers), PPE supply purchases, food assistance/incentives for DSPs, county board staffing to cover shifts, and others.

Due to the unique needs of individual providers in each county, these efforts are often limited in their ability to be uniformly implemented statewide, and therefore represent only a patchwork approach to addressing the looming HPC provider crisis. However, OACB will continue identifying local strategies that can be modeled across the state and will share with members to encourage greater adoption.

Long-Term Support Options for Residential Waiver Service (HPC/OSOC/OSL) Providers

Long-Term Option 1. COVID-19 Supplemental Rate: OACB supports the creation of a pandemic-specific supplemental rate to support those HCBS residential service providers (HPC, on-site on-call, and Ohio Shared Living) currently managing an active COVID-19 outbreak at one or more of their residential sites.

- The payment would be distributed by the State of Ohio to all qualifying providers for any of the above-referenced waiver services delivered at the affected sites.
- The supplemental rate would be designed to help providers overcome direct support professional (DSP) staffing shortages by offering a temporary DSP wage increase (i.e., hazard pay) as well as defray unbudgeted, pandemic-related costs (such as staff overtime, purchasing additional PPE, cleaning supplies, etc.).
- The total amount of this supplemental rate would be subject to negotiation between the State of Ohio and county boards of DD, and would be dependent on the availability of state, local, and federal funds.
- This rate would require amending the State of Ohio's Appendix K application. OACB strongly supports such an amendment on behalf of Ohio's 88 county boards.

Long-Term Option 2. Temporary Emergency Rate Increase (TERI): As proposed earlier this year, OACB continues to support a temporary emergency rate increase for all HCBS residential providers (HPC, on-site on-call, and Ohio Shared Living) that would remain in effect for the period of the state of emergency.

- The rate would apply to all services billed from the date it was approved until the end of the state of emergency. County boards are willing to negotiate whether the temporary emergency rate increase would be retroactive to a past billing date within reason to ensure critical funds would arrive as soon as possible.
- The rate increase would apply to all HCBS residential providers currently billing for services, and is intended to help providers overcome direct support professional (DSP) staffing shortages by offering temporary DSP wage increases (i.e., hazard pay) as well as defray unbudgeted, pandemic-related costs (such as purchasing additional PPE, cleaning supplies, etc.).
- This rate will require amending the State of Ohio's Appendix K application. OACB strongly support such an amendment on behalf of Ohio's 88 county boards.
- The total amount of this temporary emergency rate increase would be subject to negotiation between the State of Ohio and county boards of DD, and would be dependent on the availability of state, local, and federal funds.

Support Options for Adult Day Services and Vocational Habilitation (ADS/VH) Providers

County boards of DD also recognize that some providers of Adult Day Services and Vocational Habilitation (ADS/VH) face unique hardships due to mandatory group size limits imposed by executive order and a hesitance among those who typically attend ADS/VH programs to return to small-group settings. For this reason, OACB supports the following proposals to ensure these providers have the resources they need in the coming months:

1. **Short-Term Support: ADS Provider Relief Grants** – OACB supports the establishment of a targeted provider relief grant program in which individual ADS/VH providers can request support based on their unique financial constraints as they relate to the COVID-19 pandemic.
 - The process in which providers would apply for these grants would largely mirror the county board's "hardship rule" OAC 5123:1-5-02. Like county boards, a provider facing financial hardship that is seeking temporary support would submit a request along with an explanation of their plan to resolve the situation after the temporary support had been exhausted.
 - Interested ADS/VH providers would be required to show documentation of their financial hardship, including whether any previous attempts have been made to obtain state and federal relief economic relief funds (such as PPP, workers' compensation rebates, etc.) In addition, interested providers would be required document their service offerings in the form of an overall plan or strategy to be considered for temporary relief. Successful service plans would include: delivering services at multiple acuity staffing ratios, offering alternate services such as STEP and HPC, etc.
 - Providers meeting these basic criteria could then receive grants funded by a mix of local, state, and possibly even federal funds (via relief efforts such as the CARES Act, etc.), the ratio of which would be subject to negotiation between the State of Ohio and county boards of DD as funding partners.
2. **Long-Term Support: Enhanced Acuity Rates for ADS/VH** – OACB supports the already-negotiated enhanced acuity rate plan scheduled to take effect on January 1, 2021. This enhanced acuity rate plan will allow providers to bill Acuity B rates for services provided to individuals would typically require either Acuity A or Acuity B staffing ratios in non-pandemic circumstances. Providers can continue to bill Acuity C rates for those individuals who typically require Acuity C staffing ratios.
 - OACB remains concerned that the level of ADS utilization from individuals who typically require Acuity C staffing ratios lags far behind their peers in Acuity A and Acuity B categories, and believes that this enhanced rate structure will help those in the Acuity C category gain access to services.
 - County boards remain committed to helping local providers develop service delivery strategies that not only allow them to remain financially viable, but also serve the greatest number of individuals possible.
 - OACB believes the existing administrative review process offers providers facing extraordinary circumstances the ability to demonstrate a need for reimbursement above and beyond the enhanced Acuity B rate plan.

Building on Existing Foundation of Support

The proposals listed above go above and beyond the existing support for providers that county boards have already agreed to and/or implemented since the COVID-19 pandemic began in March 2020. In addition, county boards made several proposals to direct additional financial support to providers that were ultimately declined by the State of Ohio. OACB is willing to revisit these rejected proposals if they warrant a second look. A summary of all county board provider support initiatives to date is listed below for review and possible reconsideration:

General Provider Support

- **Local Funding for Providers:** After conducting a recent informal survey of business managers, OACB has learned that county boards have collectively spent at least \$7.3 million on direct provider supports in their communities to help overcome financial and operational challenges related to the pandemic.

These include direct cash payments (grants), subsidizing certain expenses (such as PPE, meals, etc.) for provider employees, and other direct supports. Unfortunately, these funds were unmatched with federal funds because of the state's rejection of earlier proposals to support providers through rate adjustments – meaning this number could have been much larger (up to \$19M) had boards been able to use Medicaid.

HPC Provider Support

- **Paying State Portion of Permanent DSP Wage Increase:** County boards agreed to support providers by using local eFMAP to pay the state's portion of the final DSP wage increase from January 1, 2021 onward (approx. \$10 million in calendar year 2021 and each year thereafter, subject to anticipated gradual increases in utilization rates). This funding support begins effective 1/1/21 and is a permanent, new funding obligation for county boards.
- **Paying One-Time HPC Provider Support:** In September 2020, county boards supported providers with local funds to support the state's cash infusion for HPC providers (\$4.5 million). This funding support has already been provided and was a one-time support.
- **State Declined: Temporary Emergency Rate Increase for HPC Providers:** County boards supported a temporary emergency rate increase for HPC providers in March and April 2020. This increase was to account for increased expenses and ensure residential providers could sustain staffing levels. County boards agreed to pay between 50% and 100% of the total increased costs. The state rejected various versions of this proposal on multiple occasions.

ADS Provider Support

- **Paying for Higher-Reimbursement Alternative Services (STEP):** County boards supported the creation of an alternative service model (STEP) to allow providers to continue providing ADS in smaller group sizes at the higher acuity reimbursement rate while keeping people safe in home and community-based small group settings. This new service began in July and will likely continue for the duration of the pandemic.
- **Paying for Universal Acuity C rate in 2020:** County boards supported a temporary, universal Acuity C reimbursement plan for services provided in facility based settings. This local funding support allows providers to be paid a higher rate despite delivering services to fewer people. This universal Acuity C reimbursement plan began in July and will end in December 2020.
- **State Declined: Universal C Rate on County-by-County Basis:** County boards supported creating a process to determine acuity payment rates on a county-by-county basis to allow those counties in a financial position to support C rates to pay the C rate and those who could not to pay a B rate or go back to standard acuity. The state rejected this concept because, outside of the Cost of Doing Business adjustments, the reimbursement methodology authorized by CMS establishes statewide rates that cannot be influenced by the financial situation of each county board. In addition, DODD believed this type of change was such a foundational change to the current reimbursement methodology that it was unlikely to be accepted by CMS through the Appendix K process.
- **State Declined: Universal C Rate on Provider-by-Provider Basis:** County boards supported creating a process or set of objective standards/thresholds to allow acuity rates to be determined on a provider-by-provider basis, thereby ensuring financial fairness among providers (this way, no one benefited unfairly and no one suffered unfairly). The state rejected this request because the CMS-approved reimbursement methodology establishes statewide rates. Modifying these rates would have represented a foundational change to the current reimbursement methodology, making it unlikely to be accepted by CMS through the Appendix K process.