

Residential and Respite Cost Study

Final Rate Models - Fiscal Impact Analysis

prepared for:

Georgia Department of Behavioral Health and Developmental Disabilities

prepared by:

Burns & Associates, Inc.
3030 North 3rd Street, Suite 200
Phoenix, Arizona 85012
(602) 241-8520
www.burnshealthpolicy.com

September 17, 2015

Georgia Department of Behavioral Health and Developmental Disabilities

**Residential and Respite Cost Study
Final Rate Models - Fiscal Impact Analysis**

Table of Contents

Estimated Fiscal Impact of Final Rates - Comprehensive Waiver, by Service.....	1
Notes to Accompany Fiscal Analysis.....	5

**Georgia Department of Behavioral Health and Developmental Disabilities
Residential and Respite Cost Study**

Final Rate Models - Fiscal Impact Analysis

Comprehensive Waiver and State Funded Respite, by Service¹

Procedure Code	Service	Fiscal Year 2014 Actuals				Current Published Rates		Final Rates				
		Members	Units	Paid	Avg. Rate	Pub. Rate	Cost at Pub.	Units	Avg. Rate	Est. Cost	Increase/ (Decrease)	% Change
Community Residential Alternative^{2,3}												
T2033	Group Home	2,587	680,843	\$105,389,656	\$154.79	\$158.67	\$108,029,359	726,632	\$234.71	\$170,546,231	\$62,516,872	57.9%
T2033	Group Home, Exceptional Rate ^{4,5}	431	104,269	\$34,578,857	\$331.63		\$34,578,857	110,844	\$271.51	\$28,309,667	(\$6,269,190)	(18.1%)
T2033	Host Home ⁶	1,442	402,346	\$62,516,808	\$155.38	\$158.67	\$63,840,240	430,787	\$167.45	\$67,371,650	\$3,531,410	5.5%
T2033	Host Home, Exceptional Rate ^{4,5}	39	7,756	\$2,201,446	\$283.84		\$2,201,446	8,287	\$188.30	\$1,460,436	(\$741,010)	(33.7%)
T2033	Unknown	244	51,546	\$8,005,265	\$155.30	\$158.67	\$8,178,804	55,419	\$224.04	\$11,548,556	\$3,369,752	41.2%
T2033	Unknown, Exceptional Rate ^{4,5}	41	8,859	\$3,163,571	\$357.10		\$3,163,571	9,529	\$257.12	\$2,277,866	(\$885,705)	(28.0%)
	Additional Group Home Staffing ⁵											
	<i>Subtotal</i>	<i>4,249</i>	<i>1,255,619</i>	<i>\$215,855,602</i>			<i>\$219,992,276</i>	<i>1,341,499</i>		<i>\$281,514,405</i>	<i>\$61,522,130</i>	<i>28.0%</i>
Community Living Support												
T2025-U5	CLS - 15-Minutes ^{7,8}	1,104	3,917,526	\$19,097,656	\$4.87	\$5.03	\$19,705,156	3,917,526	\$5.76	\$22,569,286	\$2,864,130	14.5%
T2025-U6	CLS - Daily ⁹	877	210,881	\$27,031,956	\$128.19	\$131.09	\$27,644,390	0		\$0	(\$27,644,390)	
	CLS - Daily ----> CLS 15-Minutes ⁹							6,240,778	\$5.70	\$35,572,432	\$35,572,432	
T2025-U6	CLS - Daily, Exceptional Rate ^{4,9}	114	26,795	\$9,315,940	\$347.67	\$347.67	\$9,315,940	0		\$0	(\$9,315,940)	
	CLS - Daily, Excp ----> CLS 15-Minutes ⁹							745,347	\$5.70	\$4,248,476	\$4,248,476	
T2025-U5-UC	CLS - 15-Minutes, Consumer-Directed ¹⁰	616		\$9,487,068			\$9,487,068			\$10,866,007	\$1,378,939	14.5%
T2025-U6-UC	CLS - Daily, Consumer-Directed ¹⁰	524		\$13,925,544			\$13,925,544			\$0	(\$13,925,544)	
	CLS - Daily, CD ----> CLS 15-Minutes, CD ⁹									\$17,919,204	\$17,919,204	
	<i>Subtotal</i>	<i>2,725</i>		<i>\$78,858,165</i>			<i>\$80,078,099</i>			<i>\$91,175,405</i>	<i>\$11,097,306</i>	<i>13.9%</i>
Respite - Waiver												
S5150	Respite - 15-Minutes ¹¹	10	2,345	\$9,542	\$4.07	\$4.21	\$9,872	2,345	\$4.83	\$11,326	\$1,454	14.7%
S5150-UC	Respite - 15-Minutes, Consumer-Directed ¹⁰	94		\$145,971			\$145,971	40,922		\$167,468	\$21,497	14.7%
S5151	Respite - Daily ¹²	66	1,037	\$93,444	\$90.11	\$96.00	\$99,552	1,037	\$171.57	\$177,920	\$78,368	78.7%
S5151-UC	Respite - Daily, Consumer-Directed ¹⁰	165		\$254,491			\$254,491	2,774		\$454,828	\$200,336	78.7%
	<i>Subtotal</i>	<i>301</i>		<i>\$503,449</i>			<i>\$509,887</i>			<i>\$811,542</i>	<i>\$301,655</i>	<i>59.2%</i>
Respite - State Funded^{13,14}												
	Respite - 15-Minutes		381,484	\$1,361,136	\$3.57	\$3.57	\$1,361,136	381,484	\$4.83	\$1,842,570	\$481,434	35.4%
	Respite - Daily		19,996	\$3,251,430	\$162.60	\$162.60	\$3,251,430	19,996	\$171.57	\$3,430,728	\$179,298	5.5%
	<i>Subtotal</i>			<i>\$4,612,566</i>			<i>\$4,612,566</i>			<i>\$5,273,297</i>	<i>\$660,731</i>	<i>14.3%</i>

**Georgia Department of Behavioral Health and Developmental Disabilities
Residential and Respite Cost Study**

Final Rate Models - Fiscal Impact Analysis

Comprehensive Waiver and State Funded Respite, by Service¹

Procedure Code	Service	Fiscal Year 2014 Actuals				Current Published Rates		Final Rates		
		Members	Units	Paid	Avg. Rate	Pub. Rate	Cost at Pub.	Units	Avg. Rate	Est. Cost

Support Coordination and Other Planning Supports

T2022	Support Coordination	6,977	77,104	\$11,554,582	\$149.86						
H2015-UC	Community Guide, Self-Directed	3	416	\$3,714	\$8.93						
H2015-UA	Community Guide, Co-Employer	0	0	\$0	-						
T2040-UC	Financial Support Services	964	9,864	\$739,800	\$75.00						
T2025-UD	Natural Support Training	0	0	\$0	-						
T2025-UD-UC	Natural Support Training, Self-Directed	7	315	\$5,136	\$16.30						
	<i>Subtotal</i>			<i>\$12,303,233</i>							

Supported Employment

T2019-UB	Supported Employment, Individual	368	139,437	\$997,709	\$7.16						
T2019-UB-UC	Supported Employ., Individual, Self-Directed	47	40,268	\$208,659	\$5.18						
T2019-HQ	Supported Employment, Group	261	413,035	\$735,906	\$1.78						
T2019-HQ-UC	Supported Employment, Group, Self-Directed	0	0	\$0	-						
T2019-HQ-UA	Supported Employment, Group, Co-Employer	0	0	\$0	-						
	<i>Subtotal</i>	<i>606</i>		<i>\$1,942,274</i>							

Community Access and Prevocational Services

T2025-UB	Community Access, Individual	2,005	1,083,676	\$7,742,918	\$7.15						
T2025-UB-UC	Community Access, Individual, Self-Directed	475	512,375	\$2,508,037	\$4.89						
T2025-UB-UA	Community Access, Individual, Co-Employer	0	0	\$0	-						
T2025-HQ	Community Access, Group	5,097	18,249,404	\$56,434,483	\$3.09						
T2025-HQ-UC	Community Access, Group, Self-Directed	125	186,431	\$502,759	\$2.70						
T2025-HQ-UA	Community Access, Group, Co-Employer	1	218	\$663	\$3.04						
T2015	Prevocational Services	974	1,820,691	\$5,514,865	\$3.03						
	<i>Subtotal</i>	<i>6,071</i>		<i>\$72,703,725</i>							

Transportation

T2003	Transportation Encounter/Trip	51	4,660	\$61,839	\$13.27						
T2003-UC	Transportation Encounter/Trip, Self-Directed	19	2,014	\$23,780	\$11.81						
T2003-UA	Transportation Encounter/Trip, Co-Employer	0	0	\$0	-						
	<i>Subtotal</i>	<i>70</i>		<i>\$85,619</i>							

**Georgia Department of Behavioral Health and Developmental Disabilities
Residential and Respite Cost Study**

Final Rate Models - Fiscal Impact Analysis

Comprehensive Waiver and State Funded Respite, by Service¹

Procedure Code	Service	Fiscal Year 2014 Actuals				Current Published Rates		Final Rates		
		Members	Units	Paid	Avg. Rate	Pub. Rate	Cost at Pub.	Units	Avg. Rate	Est. Cost

Nursing

T1002-U1	CLS, Registered Nurse	43	4,629	\$44,835	\$9.69						
T1002-U1-UC	CLS, Registered Nurse, Self-Directed	3	5,548	\$38,861	\$7.00						
T1002-U2	CRA, Registered Nurse	72	32,384	\$288,063	\$8.90						
T1003-U1	CLS, Licensed Practical Nurse	83	425,724	\$3,712,643	\$8.72						
T1003-U1-UC	CLS, Licensed Practical Nurse, Self-Directed	11	35,052	\$165,367	\$4.72						
T1003-U2	CRA, Licensed Practical Nurse	276	1,247,696	\$10,751,593	\$8.62						
	<i>Subtotal</i>	<i>392</i>		<i>\$15,001,361</i>							

Therapies

97003	Occupational Therapy Evaluation	1	1	\$53	\$52.99						
97003-UC	Occupational Therapy Eval., Self-Directed	0	0	\$0	-						
97530-GO	Occupational Therapy	1	1	\$20	\$19.76						
97530-GO-UC	Occupational Therapy, Self-Directed	5	1,076	\$6,369	\$5.92						
97533-GO	OT, Sensory Integrative Techniques	0	0	\$0	-						
97533-GO-UC	OT, Sensory Integrative Tech., Self-Directed	2	78	\$1,908	\$24.46						
97001	Physical Therapy Evaluation	0	0	\$0	-						
97001-UC	Physical Therapy Evaluation, Self-Directed	1	1	\$53	\$52.99						
97110	Physical Therapy	1	1	\$20	\$20.07						
97110-UC	Physical Therapy, Self-Directed	9	503	\$8,931	\$17.75						
92523	Speech Language Evaluation	0	0	\$0	-						
92523-UC	Speech Language Evaluation, Self-Directed	0	0	\$0	-						
92507-GN	Speech Language Therapy	1	6	\$375	\$62.53						
92507-GN-UC	Speech Language Therapy, Self-Directed	6	204	\$5,598	\$27.44						
92609	Speech-Generating	0	0	\$0	-						
92609-UC	Speech-Generating, Self-Directed	3	43	\$2,354	\$54.75						
	<i>Subtotal</i>	<i>26</i>		<i>\$25,681</i>							

Behavioral Supports Consultation

H2019	Behavioral Supports Consultation	41	2,476	\$58,016	\$23.43						
H2019-UC	Behavioral Supports Consult., Self-Directed	23	1,591	\$25,339	\$15.93						
	<i>Subtotal</i>	<i>64</i>		<i>\$83,355</i>							

**Georgia Department of Behavioral Health and Developmental Disabilities
Residential and Respite Cost Study**

Final Rate Models - Fiscal Impact Analysis

Comprehensive Waiver and State Funded Respite, by Service¹

Procedure Code	Service	Fiscal Year 2014 Actuals				Current Published Rates		Final Rates				
		Members	Units	Paid	Avg. Rate	Pub. Rate	Cost at Pub.	Units	Avg. Rate	Est. Cost	Increase/ (Decrease)	% Change
<i>Equipment, Supplies, and Adaptations</i>												
T2028	Specialized Medical Supplies	1,873	3,443,481	\$3,379,108	\$0.98							
T2028-UC	Specialized Medical Supplies, Self-Directed	368	494,663	\$492,686	\$1.00							
T2029	Specialized Medical Equipment	8	13,592	\$8,454	\$0.62							
T2029-UC	Specialized Medical Equipment, Self-Directed	12	25,234	\$25,232	\$1.00							
S5165	Environmental Accessibility Adaptation	3	27,188	\$27,188	\$1.00							
S5165-UC	Environmental Access. Adapt., Self-Directed	13	52,137	\$85,362	\$1.64							
T2039	Vehicle Adaptation	1	857	\$857	\$1.00							
T2039-UC	Vehicle Adaptation, Self-Directed	5	19,711	\$16,590	\$0.84							
T2025-U7-UC	Individual Directed Goods and Services	58	48,956	\$48,004	\$0.98							
	<i>Subtotal</i>			<i>\$4,083,481</i>								

**Georgia Department of Behavioral Health and Developmental Disabilities
Residential And Respite Cost Study**

Final Rate Models - Fiscal Impact Analysis

Notes to Accompany Fiscal Analysis

1. The fiscal analysis is designed to estimate the cost or savings of implementing the final rates by 're-pricing' fiscal year 2014 claims using the current published rates (including the recent rate increases) and the new rates. The estimate therefore does not account for caseload growth. Except as noted, the fiscal analysis also does not account for changes to utilization patterns arising from policy changes.

2. The final Community Residential Alternative rate models would establish different per diem rates for Group Home and Host Home services. The rates are 'tiered' such that the rates for individuals with greater needs (as measured by the Supports Intensity Scale [SIS] and the Health Risk Screening Tool [HRST]) are higher than the rates for those with lesser needs. The distribution of units of service by rate category are based on members' most current assessments. The claims for members for whom assessment data was not identified were assumed to be distributed in the same proportion as for individuals with assessments.

For Group Homes (Community Living Arrangements and Personal Care Homes), there is one set of rates for homes with three or fewer residents and another set of rates for homes with four or more members. Home size was estimated by reviewing claims data by site ID (by reviewing the number of members for whom CRA was billed for each home each day of the year).

Members' residential placements were derived from records provided by DBHDD. For those homes without a listing, provider survey responses were used to determine home type when possible. The rate for members who have not received an assessment is assumed to be the weighted average of the members who have received an assessment in the same placement and home size, as applicable. For residences that could not be matched to licensing or provider survey data, (labeled as 'CRA – Unknown Home'), residents' rates were based on the distribution of the other two home types.

	Total Units	Current Avg. Rate (324 Days/ Year Max.)	Final Rate (344 Days/ Year Max.)
Community Residential Alternative-Group Home			
4-Person Residence, Category 1 (Level 1)	25,494	\$154.51	\$154.74
4-Person Residence, Category 2 (Level 2)	76,636	\$155.53	\$214.80
4-Person Residence, Category 3 (Levels 3 - 4)	187,391	\$161.44	\$239.73
4-Person Residence, Category 4 (Levels 5 - 7)	130,643	\$215.45	\$254.36
4-Person Residence, No Assessment	47,149	\$170.84	\$225.65
3-Person Residence, Category 1 (Level 1)	23,512	\$155.37	\$178.53
3-Person Residence, Category 2 (Level 2)	60,340	\$155.17	\$235.05
3-Person Residence, Category 3 (Levels 3 - 4)	122,919	\$160.03	\$261.48
3-Person Residence, Category 4 (Levels 5 - 7)	83,321	\$239.18	\$277.44
3-Person Residence, No Assessment	27,707	\$181.90	\$253.84
Community Residential Alternative-Host Home			
Category 1 (Levels 1 - 4)	295,719	\$156.14	\$149.45
Category 2 (Levels 5 - 7)	75,849	\$165.02	\$185.25
Host Home, No Assessment	38,534	\$156.44	\$156.76
Community Residential Alternative-Unknown Home			
CRA - Unknown Home, Category 1	4,967	\$155.28	\$158.63
CRA - Unknown Home, Category 2	12,583	\$155.34	\$195.14
CRA - Unknown Home, Category 3	19,545	\$156.16	\$213.36
CRA - Unknown Home, Category 4	16,881	\$253.01	\$242.91
CRA - Unknown Home, No Assessment	6,429	\$174.18	\$209.13

**Georgia Department of Behavioral Health and Developmental Disabilities
Residential And Respite Cost Study**

Final Rate Models - Fiscal Impact Analysis

Notes to Accompany Fiscal Analysis

3. The final rates for Community Residential Alternative - Group Home and Host Home include an absence factor that adds a premium to the daily rate (based on a 365-day year) so that providers earn 365 days worth of revenue over 344 billing days. As this will be an increase from the current limit of 27 days per month (324 days per year), additional billable units were estimated. Each member's utilization was reviewed by month. For months in which there were billings for 27 days, members were assumed to have had zero absences in the month. Days of attendance were totaled for the year, up to the maximum of 344 days. This leads to a 6.7 percent increase in units for Group Home, a 7.1 percent increase in units for Host Home, and a 7.5 percent increase in units for those in unknown homes. Since there is no way to know whether a member for whom 27 days were billed in a month were ever absent, the assumption that members had zero absences in that month may result in a modest overstatement of costs.

4. The analysis assumes that exceptional rates are equal to published rates (that is, that exceptional rates would not change as a result of the recent rate increase).

5. The final rate models include a new service - Additional Residential Staffing - that would be used to authorize hours in excess of the rate model assumptions for Group Home and Host Home services. This service, which includes both a 'basic' and 'enhanced' rate based on staff qualifications, would be the basis for exceptional rate approvals. No estimate has been included regarding the frequency with which this service will be approved, which results in an overstatement of the likely reduction to exceptional rates (and, thus, total costs may be somewhat higher than projected). Further, current exceptional rates may include nursing or behavioral consultant support that will become separately billable. These new billings are not incorporated in the estimate, again overstating the likely reduction to exceptional rates.

6. The Category 1 rate model for Host Home services is 9.1 percent less than the current rate. To avoid a reduction to the base rate for this service, DBHDD has adopted a rate that, adjusted for the higher 344-day billing limit, allows providers to earn the same amount of annual revenue.

7. The rate model for Community Living Support - 15 Minutes includes basic and extended rates. The basic rate is billed for visits of 11 or fewer units (2.75 hours) of service and the extended rate is billed for visits of more than 12 units (3.00 hours). To determine the number of units of service per day, claims were analyzed. First, the number of workdays in the span between claim dates for each member was calculated, which presumes that members receive services five days per week. For a member's final claim of the fiscal year, the average number of workdays in the spans for that member over the course of the year was used. The number of units for that claim were divided by the number of workdays to determine whether the average was greater or fewer than 12 units. For any claims for which these calculations resulted in an average units per day greater than 26.5 units per day, the number of days in that span was adjusted to the actual number of days (that is, these members were assumed to receive services seven days per week rather than five).

8. The rate model for Community Living Support - 15 Minutes includes two- and three-person group rates. The analysis assumes all services are provided one-to-one, which may result in an overstatement of costs.

9. Community Living Support - Daily is being eliminated. Members receiving this service will be transitioned to Community Living Support - 15 Minutes. Members may receive up to the financial equivalent of 9,000 units of one-to-one extended services annually (\$51,300). For individuals receiving one-to-one supports, this is equivalent to 2,250 hours. For members who share supports with another individual (that is, they receive one-to-two services), the budget would allow them to access 4,084 hours of support. It cannot be determined from claims data whether members are sharing supports so the analysis assumes that all members receive one-to-one services.

DBHDD requested that the support coordination agencies report the number of hours of support per day received by each member for whom the CLS-Daily service is billed. This information was used to convert the Daily units to hours of support. For claims that could not be matched to the support coordination roster, the average hours of daily support across all members was used. Since the analysis assumes all members receive one-to-one service, the conversion of daily units to 15-minute units is limited to 9,000 units per year.

**Georgia Department of Behavioral Health and Developmental Disabilities
Residential And Respite Cost Study**

Final Rate Models - Fiscal Impact Analysis

Notes to Accompany Fiscal Analysis

10. The analysis assumes that total spending on consumer-directed services will change by an amount proportional to the same agency-directed service.

11. The rate model for Respite - 15-Minutes includes one-, two-, and three-person group rates. The analysis prices all units at the one-person rate so the estimated cost may be modestly overstated.

12. The Respite - Daily rates are 'tiered' such that the rates for individuals with greater needs (as measured by the Supports Intensity Scale [SIS] and the Health Risk Screening Tool [HRST]) are higher than the rates for those with lesser needs. The distribution of units of service by rate category are based on members' most current assessments. The claims for members for whom assessment data was not identified were assumed to be distributed in the same proportion as for individuals without assessments.

	Total Units	Current Avg. Rate	Final Rate
Category 1	640	\$94.37	\$153.61
Category 2	303	\$79.60	\$209.51
No Assessment	94	\$94.98	\$171.57

13. State-funded respite payment detail for July 2013 through January 2014 was analyzed to determine each provider's mix of daily and hourly, maintenance and emergency respite and the average daily for each service. These mixes and rates were applied to each provider's fiscal year 2014 payments to estimate the composition of services (as detailed payment information was not available for all of fiscal year 2014). For providers without sufficient information in the payment detail file, the analysis assumed their service composition and rates were equal to the averages across all providers.

14. The analysis assumes that the distribution of state-funded Respite - Daily services between Category 1 and Category 2 rates will be proportional to the distribution of Respite users in the Comprehensive Waiver.
