Projected Savings in Non-HDC Developmental Disability Programs for Five Year Period (SFYs 2017-2021)

1. Children's therapy (occupational, physical, speech)

Implement maximum threshold of 120/min/week per discipline (ST, OT, PT) for ages 0-5, and 90/min/week per discipline for ages 6-20. Prior authorization would be required for services beyond maximum thresholds. Modify retrospective review contract.

PROJECTED SAVINGS: **$108,207,730** (Derived from estimated 15% savings on SFY 2015 paid claims for OT, PT and ST services to beneficiaries ages 0-20 in DDTCS, CHMS, Stand Alone, and School Based. Attachment 1.)

2. Children's day habilitation

Increase/develop more specific eligibility criteria for day habilitation services in DDTCS and CHMS for beneficiaries ages 0-20. [1] Additional reforms:

Development of independent, conflict-free options counseling and service coordination.

Universal screening tool by qualified professionals (provider or PCP).

Clinical evaluations with universal, standardized instrument.

Clearly defined eligibility standards.

Require annual re-evaluations of eligibility with incentives to "graduate" children.

Track screening evaluations and testing results with program edits to prohibit "provider shopping" when child does not qualify or tests out.

Eliminate ability for providers with dual licensure of CHMS/DDTCS to bill day treatment for a Medicaid beneficiary through both DDTCS and CHMS during the course of a CHMS prior authorization time frame (start date/end date), provided the lag time in prior authorizations for CHMS is eliminated.

Moratorium on new DDTCS or CHMS clinics until either: (1) the two programs are merged or (2) program changes are made to eliminate difference in staff ratios and teacher qualifications.

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[1] If restrict eligibility, consider impact on non-Medicaid day care voucher and ABC pre-K programs, funded by all SGR, for children not served by DDTCS or CHMS.

PROJECTED SAVINGS: **$35,621,508** (Derived from 5% savings on SFY 2015 paid claims for DDTCS procedure code T1015-U1 and CHMS procedure codes 97530-U1, 97532 and 97535-UB. Attachment 2).

3. DD home and community-based waiver

Consider some combination of the following in the DD home and community-based waiver:

A. Enforce the institutional level of care criteria through independent third party.
B. Tie plan amounts to tiers based on independently assessed need.[2]
C. Levelize administrative overhead at base rate instead of time and half for OT hours.[3]
D Accommodate shared staffing where appropriate, e.g., apartments, group homes, habilitation, community integration activities, supported employment. Consider host home program.
E. Revise reimbursement methodology to reflect shared staffing rather than one on one when served in group homes.
F. Use the independent assessment to factor in natural supports from family and friends.[4]
G. Consider income-based co-pays.
H. Consider family responsibility to cover costs they would incur for non-disabled children.
I. Prohibit "provider shopping" since it leads to plan inflation. (Policy needed until independent assessments/tiers in place.)
J. Implement "supports waiver" with lower benefit amount than the comprehensive waiver but increased flexibility for enrolled individuals.

PROJECTED SAVINGS: **$49,361,684** (derived from 5% savings on SFY 2015 paid claims for supported living and respite services in the waiver. Attachment 3.)

4. TEFRA

Consider co-pays for services received by TEFRA beneficiaries similar to those currently in place for ARKids First B beneficiaries.

Re-evaluate income-based premiums, which have not been increased since program's implementation in 2003. See page 2 at the following link: http://humanservices.arkansas.gov/dms/oltcDocuments/pub_405.pdf

[2] Consider replacing Inter-RAI with DD-specific instrument. Consider whether comprehensive assessments are cost effective for individuals with low dollar plans.
[3] Any recommendations on administrative overhead need to consider that in many plans the salary/fringe costs exceed the overhead allowance.
[4] See note 2.

PROJECTED SAVINGS: $4,933,425 over five years if add co-pays of $10/visit and $437,427 over five years through 5% increase in premiums. Discuss.

5. Cost settlements

Evaluate methodology of the UAMS-CHMS cost settlement for reasonableness and consistency in practice and expectations for controlling costs. No other CHMS program receives a cost-based settlement at the end of each year.

PROJECTED SAVINGS: See attachment 4

6. Care coordination/case management

Independent third party (management entity) for resource allocation functions: eligibility, functional assessment, provider/service selection.

Provider-led care coordination through certified Health Homes that link with Patient Centered Medical Homes.

Re-allocate existing case management resources to coordinate care for more complex clients and those without natural supports.

Require state or management entity to use health information technology to link DD health homes with PCMH and other providers. (Consider web-based system similar to Missouri's CyberAccess, which gives providers access to claims and population data).

PROJECTED SAVINGS: Pending determination (primarily in halo spend)

7. Supported employment

Take immediate action to address low rate of employment among DD population (approximately 100 individuals in waiver and less than 100 through Arkansas Rehab Services).

Consider seeking CMS approval to remove earned income limit on Medicaid eligibility for working individuals, similar to Arkansas Act 1048 of 2013 by Josh Miller.

Address reimbursement for paid caregivers, permit 1:3 staffing ratio.

Integrate funding streams for supported employment (DDS/ARS).

Incentivize providers to meet outcomes-based criteria.

8. Rates

Calculations of projected growth need to include future rate increases to keep up with costs. The Human Development Centers receive cost-based increases, but there is no methodology to adjust rates for non-institutional programs, a key to proper rebalancing. For instance, there will have been two increases in minimum wage by January 2017, yet no increase in reimbursement. Options include tying methodology to a cost of living index, tying to increases for state employees, or using an independent rate setting commission for all providers.

9. Wait list

Strongly urge part of savings from health reform be dedicated to addressing the DD wait list.

Consider implementing "supports waiver" with limited benefits/lower caps designed to supplement natural supports from family and friends.

SUMMARY OF PROJECTED SAVINGS

Item	Amount
• Therapy	$108,207,730
• DDTCS/CHMS Day Habilitation	$ 35,621,510
• DD HCBS Waiver	$ 49,361,684
Projected Savings Total	**$193,190,924**

Does not include Human Development Centers' proportionate share ($44 million).

Does not include changes to cost settlements.

Does not include TEFRA savings ($4,933,425 over five years if add co-pays of $10/visit and $437,427 over five years through 5% increase in premiums).