MHRH – DD Delivery System Reform

BACKGROUND:

MHRH contracts with thirty-eight (38) private providers for the provision of residential and day program supports to more than 3,500 consumers. Annual spending for these services totals $192.5 million (Governor's Revised Recommended SFY 2010, all funds).

Rhode Island has a rich history of leadership of providing services to persons with Developmental Disabilities (DD). Voter approval of bonds to develop a group home-based community services model paved the way for Rhode Island to be one of the first states in the country to close its institution for mental retardation, Ladd Center. MHRH expanded the number of DD providers from a mere handful to the current 38 providers. In the first part of this decade, MHRH implemented a Support Agreement to empower individuals to have more influence in their service plan, marking a significant shift from a more prescriptive model. MHRH is now looking to develop a network system of care with more residential options and where individuals continue to be empowered to choose their provider as well as have input into their service plan.

Service options continue to include:

1. Residential supports that vary from person to person based on the person's needs; ranging from several contacts per week to 24 hours per day., and including group home, supervised apartment, and shared living settings.

2. Day activity/employment supports: regularly occurring activities designed to help people participate in their community, develop social relationships, learn new skills, develop capabilities and increase independence; inlcuding supported employment, volunteer experiences, recreation and social activities, or activities at sheltered workshops.

3. Family supports intended to assist individuals to continue to live with their families (including personal care, homemaking, community access, skill development, respite, assistive technology and home modification).

There have been several efforts over the years at system streamlining and reform, all of which were intended to foster a more responsive, accountable, and sustainable system of care for these consumers. MHRH is now seeking to meet the same system goals within the confines of current financing, and to finance the system improvements by increased efficiency. MHRH is also seeking more seamless and timely consumer access to services with an increased focus on accountability and the best use of all resources.

The current rate system has a number of legacy rates as well as other rates from previous rate reform efforts that were never implemented across the system; therefore, there is a general belief that the current rates for each service do not accurately reflect the cost of services. The rates are arrayed across four levels generally reflecting individual needs, but assessment lacks any objective validation. In addition to concerns about rates, there is also a significant concern that consumers, particulalrly new entrants to the system, lack timely access to services

MHRH has proposed an initiative within the Governor's Proposed Budget for SFY2011, with a $7 million budget savings (all funds) assumed. Savings are expected to result from the combination of operational efficiency as a consequence of networks of providers versus individual providers (minimization of redundant administrative functions, more seamless access to lower-cost services that would still address consumers' needs, fewer administrative and/or bureaucratic hurdles, etc.); revised rates that better reflect actual

consumer need for and use of services; and a reduction in inappropriate use of “high end” services. Savings assume a full year’s worth of improvements from the proposed system and rate re-structuring.

The reorganization of the system will be built around administration of a standardized, validated tool, the Supports Intensity Scale (SIS), that will be administered to the entire population of consumers served by the system. The SIS is a nationally recognized assessment tool that is fully endorsed and distributed via the American Association on Intellectual and Developmental Disabilities (AAIDD).

MHRH is seeking consultation and technical assistance in creating this new service delivery system structure and in developing interim rates while clients are assessed for their needs using the SIS. Based on the findings of this assessment process, MHRH anticipates that the successful offeror will recommend reasonable rates based on the cost of providing services and maintaining a margin that allows provider agencies with fair funding that will keep them solvent.

The rate model is designed to standardize rates, recognize reasonable and necessary provider costs, provide financial stability for the state and providers, reflect participant needs, increase transparency, and facilitate regular updates. The rate model develops rates based on underlying cost components such as wages, employee benefits, the type of employee, staffing ratios, non-direct cost allocations, and other factors. MHRH will need ongoing support to calculate periodic rate updates reflecting chnages in market conditions, demographics, and inflation. MHRH anticiaptes being wholly relaint on the offeror for this work.

Payments are made through the State’s Medicaid Management Information System (MMIS). The Department of Human Services (DHS), the State Medicaid Agency, has developed and is in the process of implementing a new Data Module operating within the MMIS, called the CHOICES Module. Analyses, consultations, and recommendations with respect to transition of the current payment and data collection and reporting enviroment will also be required.

MHRH will also need assistance in preparing propsosals, State Plan documents, etc. for submission to the Centers for Medicare and Medicaid Services. MHRH will be wholly reliant on the successful offeror’s expertise in this regard.

While MHRH anticipates that the majority of the work that can be currently quantified within a Scope of Work will need to be accomplished between now (assuming an award of any contract resulting from this RFP by May 1, 2010) and the end of June 30, 2011, additional support will be required for at least two years thereafter.