

CDCAN REPORT (MAY 17 2017): Dept of Developmental Services Selects Phoenix AZ Firm To Conduct Long Awaited Regional Center Provider Rate Study

From: Marty Omoto - CDCAN (CA Disability-Senior Community Action Network)

<martyomoto@att.net<mailto:martyomoto@att.net>>

Date: May 17, 2017 at 8:17:23 PM EDT

Subject: CDCAN REPORT (MAY 17 2017): Dept of Developmental Services Selects Phoenix AZ Firm To Conduct Long Awaited Regional Center Provider Rate Study

Reply-To: Marty Omoto - CDCAN (CA Disability-Senior Community Action Network)

<martyomoto@att.net<mailto:martyomoto@att.net>>

CDCAN Disability-Senior Rights Report: State Capitol Update - Department of Developmental Services Selects Arizona Firm to Conduct Regional Center Provider Rate Study

CALIFORNIA DISABILITY-SENIOR COMMUNITY ACTION NETWORK AND THE CALIFORNIA PERSON CENTERED ADVOCACY PARTNERSHIP

DISABILITY-SENIOR RIGHTS REPORT

MAY 17, 2017 - WEDNESDAY LATE AFTERNOON

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To reply to THIS Report write:

Marty Omoto (family member & advocate) at martyomoto@att.net<mailto:martyomoto@att.net> [new email - as of June 1, 2016 it replaced OLD email address - now inoperative -

at martyomoto@rcip address] Twitter: martyomoto

Office Line: 916-418-4745 CDCAN Cell Phone: 916-757-9549

State Capitol Update

DEPARTMENT OF DEVELOPMENTAL SERVICES SELECTS CONTRACTOR TO CONDUCT LONG AWAITED REGIONAL CENTER PROVIDER RATE STUDY

SACRAMENTO, CA [BY MARTY OMOTO, CDCAN LAST UPDATED 05/17/2017 02:50 PM] – The Department of Developmental Services (DDS) announced this week that it intends to contract with Burns and Associates, a Phoenix-based consulting firm, to conduct a long awaited regional center provider rate study and to provide recommendations for a “simplified rate setting methodology” for providing services and supports to eligible children and adults with developmental disabilities in California.

A rate study when completed – if viewed as credible, comprehensive and accurate by advocates and policymakers - could have sweeping impact on community-based services and supports for hundreds of thousands children and adults with developmental disabilities and their families, and thousands of community based providers and workers across California.

A draft rate study report is due to the Department of Developmental Services by October 2018, with completion of the final rate study report is due to the Legislature by March 2019.

Burns and Associates, according to their website, since 2006, “experience in various aspects of health care delivery and payment reform across the full continuum of care including medical, pharmacy and long term services and supports.”

While the firm has provided consulting services in a number of states, they have only provided services, according to their website, to one government entity in California, the County of San Diego’s

County Medical Services (CMS) program with their system transformation redesign initiative to improve efficiency and quality of health care services for San Diego's low income adult populations. The project included an end to end evaluation of the San Diego County Medical Services program.

The Department of Developmental Services (DDS), contracts with the 21 non-profit regional centers who determine eligibility for services and coordinate funding for eligible persons with developmental disabilities through community-based organizations and individuals.

RATE STUDY PART OF DEVELOPMENTAL SERVICES SPECIAL SESSION FUNDING BILL LAST YEAR

A rate study was part of recommendations to address the on-going funding crisis impacting people with developmental disabilities, their families, community-based organizations and workers and regional centers across the State that began with major budget reductions in the early 2000's.

The reductions were in large part due to massive state budget shortfalls and deficits, including the impact of the Great Recession in 2009 that resulted in devastating cuts to a wide range of health and human services impacting hundreds of thousands of people with disabilities, mental health needs, seniors and low income families.

While the State last year took major steps to address that on-going funding crisis with significant infusions of new and increased funding for developmental services, many advocates say more help and solutions are critically needed, including what some advocates claim are unmet needs of thousands of people with developmental disabilities who are not receiving needed services and supports.

That issues connected to unmet needs, pushed strongly by advocates with the CDCAN/California Person Centered Advocacy Partnership, was included among the requirements for the rate study in the special session bill, though it did not explicitly use the words "unmet needs" but phrased it as the study shall include "...whether the current method of rate-setting for a service category provides an adequate supply of providers in that category, including, but not limited to, whether there is a sufficient supply of providers to enable consumers throughout the state to have a choice of providers, depending upon the nature of the service..."

The issues of unmet need also include, for those advocates, reducing cultural disparities in services and supports across California.

ABOUT BURNS AND ASSOCIATES

According to their website, the firm was founded by Peter Burns and Mark Podrazik in 2006. Currently the firm has its main office in Phoenix, Arizona and regional offices in Rockville, Maryland and Norwich, Vermont.

The firm describes itself as "...a health care consulting firm that works with states on policy analysis, financial modeling, rate setting, program design, implementation and evaluation and stakeholder engagement."

Burns and Associates, according to its website, has worked on healthcare financing and payment reform nationally on behalf of the Medicaid and CHIP [Childrens Health Insurance Program] Payment and Access Commission (MACPAC) and with 30 state agencies in 23 states.

The firm says that it brings together "...senior staff with direct experience working for states, a powerful analytic shop and strong partnerships with a deep bench of sub-contractors to deliver boutique, affordable, high quality services to our clients."

The Chief Executive Officer and co-founder of the firm, Peter Burns, according to the company website, has over 30 years of experience in public policy, with specialties in the areas of finance, forecasting, administration, operations, strategic planning and legislation. He has been a senior advisor for three governors and has served as a state budget director, the director of a statewide in-house management consulting office, the chief research economist for a legislative body, and a tax manager for a FORTUNE 500 corporation.

The firm's website said that Burns' expertise and experience "...extends across a wide range of state programs at various levels, from conceptualization and policy development to rate-setting, operations, evaluation, budgeting and accounting..." and that he has "...been supporting state Medicaid agencies and managing both short-term and long-term projects for over 15 years. A primary focus in recent years has been supporting state agencies in the design, operations, and evaluation of their home- and community-based service programs."

Mark Podrazik, Burns and Associates President and co-founded, has over 19 years of experience in health care consulting, specializing in the reimbursement and evaluation components of health care programs, according to the company's website.

Prior to co-founding Burns and Associates, Podrazik was, according to the company website, "...a Corporate Manager at another consulting firm. He has served as Project Manager on engagements with public programs in 13 states. He currently manages [Burns and Associates] engagements with the State of Vermont (rate setting, DSH, ICD-10 implementation, ACO development), Rhode Island's Division of Developmental Disabilities (program redesign, rate setting, and resource allocations), Indiana's Medicaid program (external quality review and other evaluations), and Ohio's Medicaid program (inpatient and outpatient hospital rebase as well as ICD-10 implementation (under subcontract to Mercer)."

BURNS AND ASSOCIATES CONTACT INFORMATION

The following is the current contact information for Burns and Associates (as posted on their company website):

MAIN OFFICES:

Burns & Associates
3030 North Third Street Suite 200
Phoenix, AZ 85012

PHONE

(602) 241-8520

FAX

(602) 241-8529

EMAIL

info@burnshealthpolicy.com<mailto:info@burnshealthpolicy.com>

LINKS FOR MORE INFORMATION ABOUT SELECTED CONTRACTOR (COMPILED BY CDCAN)

Burns and Associates main webpage:

<https://www.burnshealthpolicy.com/><<http://cdcan.us4.list-manage1.com/track/click?u=6d5ff1c64c58f56239b63cf14&id=00da8d09f2&e=bb1b2a9da5>>

Burns and Associates Staff:

<https://www.burnshealthpolicy.com/about/><<http://cdcan.us4.list-manage2.com/track/click?u=6d5ff1c64c58f56239b63cf14&id=05ae1d1c7f&e=bb1b2a9da5>>

Burns and Associates Publications (various provider rate surveys, rate models and instructions completed for several states including Arizona, Hawaii, Virginia):

<https://www.burnshealthpolicy.com/publications/><<http://cdcan.us4.list-manage.com/track/click?u=6d5ff1c64c58f56239b63cf14&id=cb8eac3460&e=bb1b2a9da5>>

Burns and Associates list of services provided:

<https://www.burnshealthpolicy.com/services/><<http://cdcan.us4.list-manage2.com/track/click?u=6d5ff1c64c58f56239b63cf14&id=03166b1392&e=bb1b2a9da5>>

Burns and Associates complete list of clients served:

<https://www.burnshealthpolicy.com/client-list/><<http://cdcan.us4.list-manage1.com/track/click?u=6d5ff1c64c58f56239b63cf14&id=0b6dc1dc9c&e=bb1b2a9da5>>

Burns and Associates San Diego County Medical Services (CMS) Project:

<https://www.burnshealthpolicy.com/client/ca-sdco/><<http://cdcan.us4.list-manage2.com/track/click?u=6d5ff1c64c58f56239b63cf14&id=52cc3a28c2&e=bb1b2a9da5>>

DEADLINES FOR THE RATE STUDY

REQUEST FOR PROPOSAL (RFP) – Released February 10, 2017

REQUEST FOR PROPOSAL (RFP) DEADLINE: Deadline to respond to the "Request for Proposal" April 3, 2017.

SELECTION OF CONTRACTOR ANNOUNCED: May 15, 2017

DRAFT REPORT DEADLINE: The “Request for Proposal” requires that a draft report of the rate study be submitted to the Department of Developmental Services no later than October 1, 2018. It is not clear in the RFP whether or not that document will be made public or posted on the Department of Developmental Services website for public comment.

FINAL REPORT: The “Request for Proposal” requires that the contractor prepare a final report, based on recommendations from the department, for review and approval by the department no later than January 1, 2019.

SUBMISSION OF REPORT TO LEGISLATURE: The special session bill last year, ABx2 1 requires that the Department of Developmental Services submit a rate study to the Assembly and State Senate budget and policy committees on or before March 1, 2019. Any recommendation in the rate study that requires changes in State law or changes in any rates or related funding would require approval of the Legislature and Governor, and neither the “Request for Proposal” or the special session bill (ABx2 1) imposes and deadlines to actually take action on any recommendations. However it would seem likely the issue would be part of that year’s budget subcommittee process (for the 2019-2020 State Budget).

LINKS TO SPECIAL SESSION BILL PLACING REQUIREMENTS FOR RATE STUDY

The special session developmental services bill (ABx2 1) last year was tied to the passage of the managed care organization tax reform special session bill. ABx2 1 included significant new and increased funding for developmental services, including addressing competitive integrated employment and reducing cultural disparities in services and supports. It also included requirements for the rate study as follows (on page 5 of ABx2 1):

“SEC. 2. Section 4519.8 is added to the Welfare and Institutions Code, to read:

4519.8. On or before March 1, 2019, the department shall submit a rate study to the appropriate fiscal and policy committees of the Legislature addressing the sustainability, quality, and transparency of community-based services for individuals with developmental disabilities. The department shall consult with stakeholders, through the developmental services task force process, in developing the study. The study shall include, but not be limited to, all of the following:

- (a) An assessment of the effectiveness of the methods used to pay each category of community service provider. This assessment shall include consideration of the following factors for each category of service provider:
- (1) Whether the current method of ratesetting for a service category provides an adequate supply of providers in that category, including, but not limited to, whether there is a sufficient supply of providers to enable consumers throughout the state to have a choice of providers, depending upon the nature of the service.
 - (2) A comparison of the estimated fiscal effects of alternative rate methodologies for each service provider category.
 - (3) How different rate methodologies can incentivize outcomes for consumers.
- (b) An evaluation of the number and type of service codes for regional center services, including, but not limited to, recommendations for simplifying and making service codes more reflective of the level and types of services provided.”

ABx2 1 – AS SIGNED BY GOVERNOR MARCH 1, 2016 – PDF DOCUMENT COPY (20 PAGES):

http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_0001-0050/abx2_1_bill_20160301_chaptered.pdf<<http://cdcan.us4.list-manage2.com/track/click?u=6d5ff1c64c58f56239b63cf14&id=66f82d96a4&e=bb1b2a9da5>>

ABx2 1 – AS SIGNED BY GOVERNOR MARCH 1, 2016 – HTML VERSION:

http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_0001-0050/abx2_1_bill_20160301_chaptered.htm<<http://cdcan.us4.list-manage2.com/track/click?u=6d5ff1c64c58f56239b63cf14&id=23680e66ab&e=bb1b2a9da5>>

CONTRACTOR WILL BE REQUIRED TO DRAFT RATE MODELS

The selected contractor, Burns and Associates, will be required to draft rate models, according to the “Request for Proposal” and that includes a requirement that the selected contractor “...shall develop draft rate models for each of the service provider categories where changes are recommended.”

The RFP goes on to say that "...these rate models shall detail specific assumptions related to the cost of delivering each service including direct care staff wages, benefits, and billable hours; staffing ratios; member attendance; transportation; agency overhead; and any other relevant factors" and that "the rate model assumptions shall be derived from the data collected through the provider survey and other independent sources."

The RFP requires that the contractor include with the rate models "...any supporting documentation including the provider survey analysis and results of research of independent data sources to demonstrate the source of key assumptions such as direct care staff wages and benefits" and that the contractor "...shall prepare a fiscal impact analysis and detailed rationale for each proposed rate model and applicable service provider category, addressing cost neutrality where applicable."

The RFP also requires that upon approval by the Department of Developmental Services, the contractor for the rate study shall present its recommendation to the Developmental Services Task Force and the Rates Workgroup (of the Task Force), and that the contractor shall assist the department in the consideration of potential changes to the proposed rate models based on Developmental Services Task Force and Rates Workgroup comments.

There was no specific dates however for that presentation to the Developmental Services Task Force and Rates Workgroup to occur, though presumably before a final report is submitted to the Legislature before March 2019. [Marty Omoto, CDCAN, is a member of both the task force and rates workgroup]

NEED FOR RATE STUDY

The "Request for Proposal" says that the Department of Developmental Services "...has a need to reevaluate the rate setting process in California. The old process that was based primarily on costs was modified over the last number of years as a result of significant budget constraints. DDS has also seen a change in service strategies for a number of providers with a greater emphasis on integrated services in smaller settings."

The "Request for Proposal" also says that the "...federal Center for Medicare and Medicaid Services has significantly revised its standards for community services. These changes will require some service providers to revise their service designs."

GENERAL OVERVIEW OF PROJECT TASKS REQUIRED BY REQUEST FOR PROPOSAL RATE STUDY

The RFP included a general overview of project tasks that the selected contractor will be required to complete as follows:

"Analyze the sustainability, quality and transparency of community-based services for individuals with developmental disabilities.

"For each current method used to pay each category of service providers, analyze the effectiveness of the rate methodology, including, but not necessarily limited to:

The impact on the sufficiency of supply of service providers in each service category in relation to the rate setting methodologies utilized,

The ability of the service providers to staff the community based service,

The quality of the services provided,

Evaluate the number and type of service codes for regional center services, and make recommendations for simplifying and making service codes more reflective of the level and types of services provided,

Based on each category of service provider (using the simplified service code proposal if applicable), make recommendations, including the rationale for any modification of rate setting methodologies, to include, but not be limited to: The multiyear fiscal impact to the state of any proposed change by category of service provider; The anticipated impact on the sufficiency of supply of service providers to enable consumers to have a choice of providers; The ability of the service providers to staff the service; The impact on the quality of the services to be provided and how they can incentivize outcomes for the consumers; Cost neutral alternatives; Consideration of information and data on service disparities in underserved populations

Develop a plan for transitioning from the current rate setting methodologies to the proposed rate setting methodologies"

IMPACT OF FEDERAL HOME AND COMMUNITY BASED SERVICES (HCBS) FINAL RULE OR REGULATION

The contractor, Burns and Associates, will be required to include the impact of the federal Centers on Medicare and Medicaid Services (CMS) Home and Community Based Services (HCBS) Final Rule (or regulation) issued January 2014, that gave states until March 2019 (extended to March 2020) to fully comply.

The "Request for Proposal" said the federal regulation "...outlined a significant number of changes to services and systems that must be made in order for states to continue receiving Federal funding for services after March 2019" including that "Individuals should be integrated into the community to the same degree that other community members are. All service settings must offer inclusion and community integration; previously this standard applied only to residential homes. Planning for services needs to be individually determined and focused on each person's unique goals and needs..."

CDCAN - MARTY OMOTO YOUTUBE CHANNEL

A CDCAN (Marty Omoto, family member and advocate) youtube channel was set up and has several videos dealing with current – and previous state budget issues, disability and senior rights, and advocacy.

To see the current videos, including March 2014 San Andreas Regional Center Aptos Legislative Breakfast, January 2014 panel discussion on services for adults with autism spectrum and related disorders in Palo Alto, and older videos including video of April 2003 march of over 3,000 people with developmental disabilities, families, providers, regional centers and others from the Sacramento Convention Center to the State Capitol (to attend and testify at budget hearing on proposed massive permanent cuts to regional center funded services, go to the CDCAN (Marty Omoto) Channel at: <https://www.youtube.com/channel/UCySEyhn9LQRiCe-F7ELhg><<http://cdcan.us4.list-manage.com/track/click?u=6d5ff1c64c58f56239b63cf14&id=cb5bcb0561&e=bb1b2a9da5>>

More videos – including new current videos (an interview with longtime advocate Maggie Dee Dowling is planned, among others) – plus archive videos of past events – will be posted soon.

MAY 17, 2017 - WEDNESDAY LATE AFTERNOON

[Photo of Marty Omoto (2015)] PLEASE CONSIDER HELPING AND SUPPORTING THE CONTINUING WORK OF CDCAN - YOUR HELP IS NEEDED!

CDCAN Townhall Telemeetings, CDCAN Reports and Alerts and other activities cannot continue without YOUR help. To continue the CDCAN website and the CDCAN Reports and Alerts sent out and read by over 65,000 people and organizations, policy makers and media across the State, and to continue and resume CDCAN Townhall Telemeetings, trainings and other events, please send your contribution/donation (please send to "CDCAN" or "California Disability Community Action Network" and mail to:

CDCAN

1500 West El Camino Avenue Suite 499

Sacramento, CA 95833

NEW email address

(replaced martyomoto@rcip.com<<mailto:martyomoto@rcip.com>>): martyomoto@att.net<<mailto:martyomoto@att.net>>

Many, many thanks to all the organizations and individuals for their continued support that make these reports and other CDCAN efforts possible!

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Our mailing address is:

Marty

Omoto: martyomoto@att.net<mailto:martyomoto@att.net> (REPLACED martyomoto@rcip.com<mailto:martyomoto@rcip.com> as of June 1, 2016)

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