



Oregon

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TO: The Honorable Laurie Monnes Anderson, Chair
Senate Health Care and Human Services Committee

FROM: Mike Maley, Deputy Director
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Oregon Department of Human Services
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SUBJECT: Senate Bill 640 and Senate Bill 641

Chair Monnes Anderson and Members of the Committee; I am Mike Maley, Deputy Director for the Office of Developmental Disability Services (ODDS), Department of Human Services. I am here to provide information on SB 640 and SB 641. These bills propose several provisions related to the delivery of services to individuals with Intellectual and other Developmental Disabilities (I/DD) as provided through ODDS. The bills require:

- 1) Development and use of a single tool for setting service rates for residential services provided to individuals with I/DD (SB 600 and SB 641);
- 2) Service rates and payments to providers be tied directly to individual service plans (SB 600 and SB 641);
- 3) A reassessment of service needs and rates every 3 years (SB 640);
- 4) A reassessment of service needs and rates within 30 days if certain conditions are met (SB 640);
- 5) Appointing an advisory group that will be involved in developing and updating the new uniform assessment and rate setting tool (SB 641);
- 6) Written notice about service rates to specific parties (SB 641); and
- 7) Implementation upon passage (SB 600 and SB 641).

"Assisting People to Become Independent, Healthy and Safe"

SB 640 and SB 641

In 2005, ODDS began working on new rate setting methodologies for our major residential programs: group homes and foster care. This was necessary because prior history and methodologies led to inconsistencies in rate setting on a statewide basis. The first three years were spent developing and testing tools, with implementation of new methodologies beginning in 2008.

It is accurate to say we do not have a single tool for setting rates that covers all types of residential services. There is one tool for group home services and another for foster care. The decision to have two tools was made early in the process because these programs, though similar in many respects, are different in terms of expense structures, provider types, and operating assumptions. For example, group homes are operated by provider agencies where all services are provided by paid agency personnel. Foster homes by definition are services delivered in the home of the provider, where that provider is the primary person responsible for delivering services.

Group home rates are based on an assessment tool called the Supports Intensity Scale (SIS). The SIS is a nationally recognized tool created by the American Association on Intellectual and Developmental Disabilities. Foster care rates are based on a tool developed by the Department called the Support Needs Assessment Profile (SNAP). These tools are similar in that both account for identifying the major support needs of an individual with I/DD and use “key informant groups” in doing so.

The tool for group homes (SIS) generates a composite score that represents an individual’s acuity level. That acuity level is then translated into a service rate based upon the size of the licensed facility in which the person will be served. The service rate amounts derived were based on cost studies conducted on provider organizations. The foster care tool (SNAP) differs from the group home tool in that it assigns specific dollar amounts to each of the assessed areas of need of an individual. This methodology was selected because there is not a common cost structure in foster homes and they have a greater degree of variability in service settings and delivery options. Use of the SNAP tool is incorporated into the collective bargaining agreement the State has with adult foster care providers.

The bills’ provision in Section 2 about tying provider reimbursement rates directly to an individual’s service plan would be a departure from past and current practice. Service rates are currently set prospectively upon service entry and then periodically

reevaluated. The assumption is that the rate in total will meet the needs of the individual. The individual's planning team then operationalizes the actual services to be delivered in crafting an Individual Support Plan (ISP) after the person enters service. The bill proposes, as we read it, that rates could not be set until after the ISP has been developed.

SB 640

Section 3 of SB 640 calls for individual reassessments to be made at least every three (3) years to determine the continuing level of supports needed and the associated service rate. ODDS is currently planning a 5 year cycle for these reassessments. This section also calls for a more immediate reevaluation if certain changes in condition are met and outlines those conditions. These reevaluations must be performed within 30 days after a request is made. ODDS currently has a process in place for conducting such immediate reevaluations should a significant change in an individual's condition become a concern. While these requests for reassessments are responded to as quickly as possible, we do not have a 30-day response standard in place.

This section also states that requests for reassessment cannot be used as a basis for transferring or discharging a person from a residential program. This is a condition we wholly support.

SB 641

Section 2 (4) of SB 641 calls for the appointment of an advisory group that would be involved in developing the required uniform rate setting tool. Involvement by a stakeholder group in the changes of major program policies and procedures such as those proposed in SB 640 and SB 641 would be consistent with our usual practice.

Section 2 (5) requires written notice about service rates and provider payments to a variety of interested parties. This section directly addresses the matter of transparency in rate setting and provider payments. We agree that heightened transparency is important and achieving it will, among other things, help clarify service provider expectations, improve the development of individual support plans, and better inform all parties wishing to advocate for changes in these critical program processes. We can certainly continue to talk about this issue with the sponsor(s) of the bill and other stakeholders to see what options to address their concerns currently exist.

SB 640 & SB 641

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Finally, both SB 640 and SB 641 require enactment upon passage. This will be difficult because the bill requires major policy and practice changes that will take many months to develop and more time to implement. These bills will require development and testing time, changes to billing and payment structures, changes in rules and Federal Home and Community Based waivers, requiring approval from the Centers for Medicare and Medicaid Services (CMS), training of service providers and case managers, reconsideration of current staffing levels at both the state and the local level, and conducting new needs assessments of hundreds if not thousands of individuals currently in service.

Thank you for the opportunity to comment on SB 640 and SB 641. I would be happy to address any questions you may have.