

The New Jersey Department of Human Services
Division of Developmental Disabilities

1

**IMPLEMENTING THE RATE STRUCTURE:
“TIERING” IN THE FEE-FOR-SERVICE SYSTEM**

Elizabeth M. Shea
Assistant Commissioner

Thomas S. Papa
Chief of Staff

Quick Review: Background

2

- Shift from a Contract Reimbursement System to a Standardized Fee-for-Service System
- Comprehensive Rate Study from 1/2013 – 7/2014
- Final Rate Report & Rate Schedule released 7/2014
- The new system is built on a **Medicaid** platform:
Individual, Provider & Service
- The new FFS model requires much greater attention to service definitions; Providers will be reimbursed for units of billable service as opposed to “slots” of a bundled service package

Quick Review: How will the new system work?

3

- New Jersey Comprehensive Assessment Tool (NJ CAT)
- Enrollment onto one of two waivers (CCW/Supports Program)
- Support Coordination model
- Individualized Service Plan:
 - ✦ Person Centered Planning Tool (PCPT)
 - ✦ Prior authorization of services
 - ✦ Amended as needed through-out year; re-done annually
- Service Provision – Fee for Service
- Quality Monitoring
 - ✦ Provider qualifications, approval, disenrollment if needed
 - ✦ Provider, Service, & individual outcome monitoring
 - ✦ Support Coordination quality monitoring

What is the purpose of “tiering” in the new model?

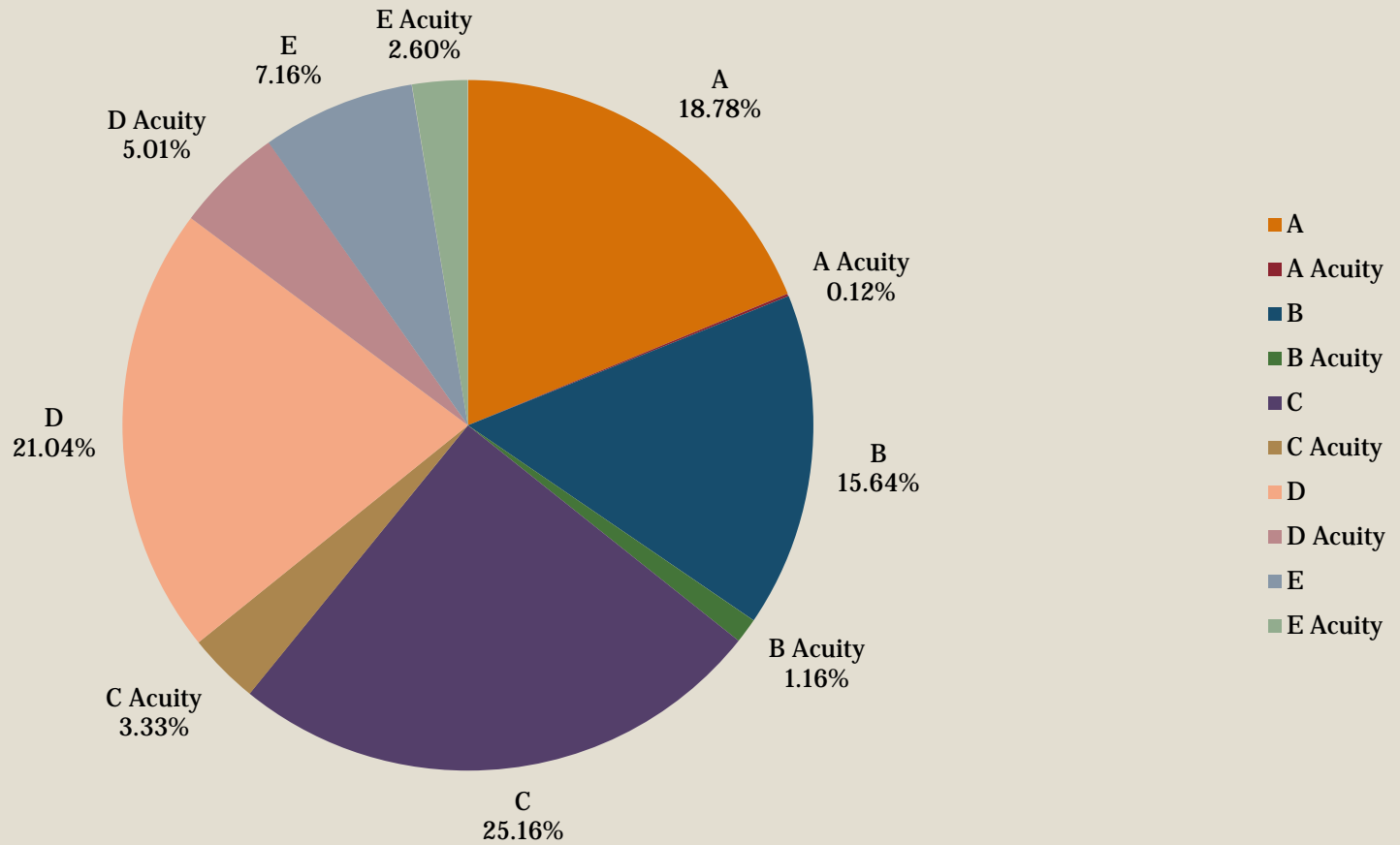
4

- All individuals, as part of the New Jersey Comprehensive Assessment Tool, will be assigned into a “tier” based on their assessed level of need.
 - ✦ Five base tiers: **A, B, C, D & E**
 - ✦ Five acuity differentiated (“a”) tiers: **Aa, Ba, Ca, Da & Ea**
 - ✦ There is also an exception tier available *if needed in extremely rare cases*.
- Individuals are assigned to one tier; and that tier assignment impacts:
 - The rate providers get paid to provide Individual Supports in licensed residential settings;
 - The rate providers get paid to provide Day Habilitation; and
 - The individual’s budget amounts

Tiers At A Glance

5

Total



Rates by Tier: Individual Supports

6

- Individual Supports: *“... self-care and habilitation-related tasks performed and/or supervised by service provider staff or an approved individual caregiver in an individual’s own home or family home or in other community-based settings, in accordance with approved Service Plans. Assistance to, as well as training and supervision of, individuals as they learn and perform the various tasks that are included in basic self-care, social skills, activities of daily living and behavior shaping will be provided...”*
 - Service available to individuals on the Community Care Waiver (CCW) – Essentially, this service is the staffing supports for people in licensed residential settings, or the in-home staff supports needed for people in unlicensed settings
- An individual’s assigned tier will determine the **daily rate** that a provider gets paid for providing this service in a licensed residential setting; Providers of this service in an unlicensed setting get reimbursed at the hourly Individual Supports rate.

Rates by Tier: Individual Supports

7

- Remember: When the provider gets reimbursed a daily rate for Individual Supports in a licensed residential setting, the rate is **service funding only** and does not account for housing costs (room & board, etc.), as these costs are not reimbursable as Medicaid services.
- The Division is working closely with the **DHS Office of Housing** to identify housing costs currently being covered under Division contracts to determine treatment of such funding in the new FFS model

Rates by Tier: Individual Supports

8

- Final Tiered Rates for **Individual Supports** with a 5% Absentee Factor:

○ Tier A:	\$70.52/Day	\$25,739/Annual
○ Tier B:	\$141.04/Day	\$51,480/Annual
○ Tier C:	\$235.07/Day	\$85,801/Annual
○ Tier D:	\$329.10/Day	\$120,122/Annual
○ Tier E:	\$423.13/Day	\$154,442/Annual

** Annual amounts shown assume utilization of 365 days*

**Reminder: Housing costs are not included*

Rates by Tier: Individual Supports

9

- Final Tiered Rates for **Individual Supports** with a 5% Absentee Factor and an Acuity Differential:

○ Tier Aa:	\$149.84/Day	\$54,692/Annual
○ Tier Ba:	\$299.68/Day	\$109,383/Annual
○ Tier Ca:	\$499.46/Day	\$182,303/Annual
○ Tier Da:	\$699.25/Day	\$255,226/Annual
○ Tier Ea:	\$899.04/Day	\$328,150/Annual

** Annual amounts shown assume utilization of 365 days*

**Reminder: Housing costs are not included*

Rates by Tier: Day Habilitation

10

- **Day Habilitation:** *“...services that provide education and training to acquire the skills and experience needed to participate in the community, consistent with the participant’s Service Plan ... building problem-solving skills, self-help, social skills, adaptive skills, daily living skills, and leisure skills ... may be offered in a center-based or community-based setting ...”*
- Day Habilitation rates have been expanded to mirror the tiers used for Individual Supports
 - Reminder: An individual will be assigned one tier, which is used to:
 - ✦ determine the rate the provider will be reimbursed for Individual Supports in a licensed residential setting (*if applicable*)
 - ✦ determine the rate the provider will be reimbursed for Day Habilitation (*if applicable*); AND
 - ✦ set the individual’s budget amounts.

Rates by Tier: Day Habilitation

11

- Day Habilitation rates have been adjusted to include transportation
 - ✦ With transportation now included, Day Habilitation providers are now responsible for transportation **to and from their day program (within their catchment area)**
 - ✦ Individual Supports rates for individuals in licensed residential settings still include a factor for transportation – therefore, residential providers will be responsible for all transportation **other than** transport to and from day programming
- This does not impact the 30 hour weekly limit on day habilitation; a provider can only bill for day habilitation when the service is being provided, not while they are transporting the individual

Rates by Tier: Day Habilitation

12

- Final Tiered Rates for **Day Habilitation**:

○ Tier A:	\$9.44/Hour	\$56.64/Daily	\$13,594/Annual
○ Tier B:	\$11.96/Hour	\$71.76/Daily	\$17,222/Annual
○ Tier C:	\$14.92/Hour	\$89.52/Daily	\$21,485/Annual
○ Tier D:	\$22.40/Hour	\$134.00/Daily	\$32,256/Annual
○ Tier E:	\$29.84/Hour	\$179.04/Daily	\$42,970/Annual

**Daily amount is based on a 6 hour day*

**Annual amount is based on the daily rate for 240 days*

Rates by Tier: Day Habilitation

13

- Final Tiered Rates for **Day Habilitation** with Acuity Differential:

○ Tier Aa:	\$13.72/Hour	\$82.32/Daily	\$19,757/Annual
○ Tier Ba:	\$17.40/Hour	\$104.40/Daily	\$20,056/Annual
○ Tier Ca:	\$21.72/Hour	\$130.32/Daily	\$31,277/Annual
○ Tier Da:	\$32.60/Hour	\$195.60/Daily	\$46,944/Annual
○ Tier Ea:	\$43.48/Hour	\$260.88/Daily	\$62,611/Annual

**Daily amount is based on a 6 hour day*

**Annual amount is based on the daily rate for 240 days*

Tiering Example: Liz is a Tier C

14

- Individual Supports (licensed residential) provider is authorized/reimbursed at:
 - A **daily** rate of \$235.07/day
 - Annual amount of \$85,801

- Day Habilitation provider is authorized/reimbursed at:
 - An **hourly** rate of \$11.02/hour
 - A daily amount of \$66.12 (assuming 6 hours for the day)
 - Annual amount of \$15,869 (assuming 240 days)

Individual Budgets

15

- Overall budget allocations will be driven by the following four sub-components:
 - **Individual Supports (a.k.a. residential):** Component driven by tier allocation against rates for Individual Supports
 - Only for individuals enrolled on the CCW
 - Not applicable to individuals enrolled on the Supports Program
 - **Employment/Day:** Component driven by tier allocation against rates for Day Habilitation
 - Applicable to all individuals on both waiver programs

Individual Budgets

16

- **Supports:** Every individual on both waiver programs will have a supports component in their budget
 - ✦ Tier A: \$5,000/Annually
 - ✦ Tiers B & C: \$10,000/Annually
 - ✦ Tier D & E: \$15,000/Annually

- **Supported Employment:** With the Division's commitment to Employment First, an individual's budget may be adjusted upward to accommodate an individual's desire to become gainfully employed

Through a defined process, employment/day and supports budget components will be never be a barrier to work!

Budget Allocation Example: Tom is a Tier D

17

- Individual Supports budget component - **\$120,122**
 - ✦ Only applicable if Tom is on the CCW
 - ✦ Applies to individuals on the CCW living in both licensed settings (GH, SA) and unlicensed/own home settings
 - ✦ Reminder: funding for housing (room and board) will come from alternative funding sources
- Employment/Day budget component - **\$21,168**
- Supports budget component - **\$15,000**
- **Tom's Total Budget: \$156,290** (+ any room & board & other income)
- *In addition, if Tom's total budget for Employment/Day and Supports cannot address Tom's Supported Employment needs, an approval process will be available to lift this cap to allow for **as much Supported Employment as needed***

Acuity Differentiated Rates

18

- An acuity factor has been added to the rates to account for the higher costs associated with serving individuals with very complex medical and/or behavioral needs.
- This differential is only applied in cases where specialized staff, usually with higher credentials, is necessary based on assessment.
- Application of the differential is used to address the need for a higher level of a particular service, not more staffing hours.
 - ✦ Greater staffing hours = higher tier
 - ✦ Clinical and specialized staff needed to support = acuity factor

Acuity Differentiated Rates

19

- Rate setter recommendation was to limit this differential to only individuals who required a high level of nursing support or had one of five specific psychiatric diagnoses.
- The Division solicited stakeholder input through the *FFS Help Desk* as well as a targeted focus group of subject matter experts.
 - Stakeholders felt strongly that the rate setter's suggested approach was too limited, so the Division did not adopt it.

Acuity Differentiated Rates

20

- Who will receive an acuity differential?
 - An individual will be tiered at an acuity level based on their assessed medical and behavioral needs as per their NJ CAT.
 - Both an individual's overall "scores" as well as answers to specifically designated questions will impact whether they will receive an acuity differentiated tier.

Changes to an Individual's Tier

21

- An appeal process will be in place for individuals to request a reassessment when their needs change, when there is new information, or if there is some reason to believe that the original assessment was not properly conducted.
- Retirement: Beginning at the age of 65 (or earlier if warranted), an individual who chooses to retire will receive a higher individual supports tier in lieu of an employment and day services budget.

Individual Agency Tiering Reports

22

- Contracted Residential and Day Habilitation Providers were provided with a per program break-down of tiers so that they can gauge how they would fair once the new model is implemented *if they served the exact same individuals in the exact same services.*
 - Some newer programs will not yet show up in the reports
- Reports only included individuals for whom we had complete assessment information. Many individuals still need to be assessed.
- Reports reflect *current* service definitions and level of service in *current* contracts

Next Steps

23

- What are the next steps for individuals and families?
 - Individuals will be given their tiering information as they are rolled into the new system.
 - ✦ ***Based on family input, consideration is being given to how early we can make this information accessible to individuals for planning purposes.***
 - Continue to ensure and maintain Medicaid eligibility
 - Become familiar with new services and draft service definitions:
www.nj.gov/humanservices/ddd/programs/ffs_implementation.html
 - Research Support Coordination
 - ✦ The Boggs Center Guide – *Selecting a Support Coordination Agency: Making Choices, Becoming Empowered:*
<http://rwjms.rutgers.edu/boggscenter/projects/infopeopleandfamilies.html>
 - Talk to service providers
 - ✦ What are their plans?
 - ✦ Will they continue to offer the same services once the fee-for-service system is implemented?
 - ✦ Are they familiar with the new services and service definitions?

Next Steps

24

- What are the next steps for providers?
 - Individual Agency Impact Analyses
 - Missing Program Tiering Info
 - Assist with completing any missing NJ CATs
 - Provider application process
 - If a decision has been made to cease providing services, notify the Division as soon as possible so that appropriate plans can be made to transition individuals into alternative services.

Next Steps

25

- What are the next steps for the Division?
 - NJ CAT Assessments continued
 - Qualified Providers & Other Services Providers – Will Make Tiers Available Where Practicable
 - Support Coordination Ramp Up
 - Release of Policy Manuals
 - Provider Enrollment

DDD Transition to FFS: Timeline

26

- **The Division continues to be on course to begin enrollment onto the Supports Program July 1, 2015**
 - Enrollment will begin with new presenters (2015 grads and others), followed quickly by individuals currently in the *“interim system”*
- **FFS will go into effect for individuals in licensed residential settings beginning January 1, 2016.**
 - *Contingent on CCW Renewal Approval*

Resources

27

- Fee-for-Service Implementation web page
www.nj.gov/humanservices/ddd/programs/ffs_implementation.html
 - ✦ Fee-for-Service Implementation Timeline
 - ✦ Fee-for-Service Rate Schedule: Quick Reference Guide
 - ✦ Supports Program Draft Service Definitions and Qualifications
 - ✦ Community Care Waiver Draft Service Definitions and Qualifications
 - ✦ Support Coordination Ramp-Up Timeline
- E-news Bulletin: *Division Update*
 - Subscribe by sending an email to:
DDD.Communications@dhs.state.nj.us
- Fee-for-Service Helpdesk:
DDD.FeeForService@dhs.state.nj.us

Thank You