Association of Rehabilitation Facilities
Florida ARF
A Voice for Community Agencies

Jon Fisher
Board **Chair**

Suzanne Sewell
President & CEO

July 17, 2019

Barbara Palmer, Director
Agency for Persons with Disabilities
4030 Esplanade Way, Room 301
Tallahassee, FL 32399

RE: APD / AHCA Redesign Plan

Dear Ms. Palmer,

On behalf of the Florida Association of Rehabilitation Facilities (Florida ARF), thank you for the opportunity to provide input into the Agency for Persons with Disabilities' and Agency for Health Care Administration's Redesign Plan for the iBudget Waiver.

Our membership reviewed and discussed the four elements of redesign that were advertised in the public notice. And while there was much discussion, members had difficulty supporting recommendations for a plan that is being developed within the context of cost reductions. Even so, some position statements were expressed that had uniform acceptance, and are as follows:

- **Almost any service model that is adequately funded can be responsive to individuals' needs.** The Agencies (APD and AHCA) must be bold in determining the true cost of care and advocating for the appropriate resources to meet the needs of individuals with intellectual disabilities. This is our primary expectation.

- **APD and AHCA must have excellent assessment tools in place to identify client need.** No service model will not be responsive to the needs of individuals with disabilities if the Agency cannot accurately assess and respond to their overall needs.

- **APD and AHCA must develop capacity to produce needed data that will result in sound cost plans, quality services, and actuarially sound rate setting methodologies**. Decisions must be data-driven.

- **The plan must identify how the Agencies will determine caseload projections, program growth/utilization factors, and reimbursement rates that incorporate inflationary factors such as incremental wage increases for direct care staff**. While some suggest adding the waiver to the Medicaid Estimating Conference process, this should not occur until the Agencies answer how each of these factors will be calculated.

- **Designated funding sources need to be identified by the Florida Legislature with the understanding that funding will be specifically dedicated to serving individuals with**

intellectual disabilities. The cost of doing business goes up every year. Reimbursement rates should be responsive to inflationary trends and reflect annual inflationary escalators.

- **Any Redesign effort must not minimize the quality of services provided.** We encourage the Agencies to focus on expected quality outcomes with less emphasis on hundreds of overly prescriptive compliance concerns.

- **The Agencies should work collaboratively to pursue recommended efficiencies and deregulation activity so providers can focus on service delivery; i.e., moving away from quarter hour billing for several services.** If any administrative requirements are added, the level of funding needs to increase accordingly.

- **Most of our members do not support transition to privatized managed care plans because they do not see how it would improve services to individuals with intellectual disabilities**. In managed care environments, costs can be reduced by limiting services or reducing rates; neither option would benefit a population that requires long-term services and supports.

Regarding the four elements of redesign, discussion was challenging in that each option had positive and negative consequences, and some have unintended consequences. The following comments are offered.

Budget predictability – budget recommendations must include specific steps to restrict spending to budgeted amounts based on alternatives to the iBudget and four-tiered Medicaid waiver models.

- Service packages. Members have discussed the concept that service models could be developed by the Agency to enhance budget predictability. The concept is based on the premise that service packages (groupings) could be developed that would be responsive to the needs of multiple individuals with similar characteristics and service needs. For example, individuals who require residential care needs could be served through one package with three or four service levels. The packages would include bundling of services such as residential habilitation, meaningful day activities, and transportation: in home supports packages could also be developed that would rely heavily on personal supports, transportation, and meaningful day activities.

Service Packages Pros	**Service Packages Cons**
Provides cost predictability since pricing for the package is predetermined and known when the client is enrolled and until service needs change.	Reduces individual decision making and choice options currently featured in the iBudget System.
Shifts some financial risk to providers who accept clients based on the agreed upon service package.	Penalizes providers of stand-alone services; for example, a provider who only provides ADT would have to form alliances with residential providers since the residential provider would receive the funding for the bundled service. The residential provider would have to ensure choice options are being presented.

Should reduce continuous need for SANS requests since packages can be developed for special needs such as intensive behaviors.	Requires that providers take calculated risks based on funding levels to cover overall costs.
Provisions could be developed that would apply when individuals need a higher level of care and could request an exception.	Gatekeeping would be needed to ensure that the exception provision does not go the route of the SANS process.

- Managed Care. While the majority of Florida's Medicaid program is operated via managed care plans, few members see this model as an improvement for the individuals they serve. Individuals with intellectual disabilities often have ongoing service needs that are not quickly resolved. To attempt to serve this population with the expectation that the cost of care can be reduced will likely mean drastic cuts in service utilization and rates. The iBudget System is already underfunded, to expect further reductions is troubling.

Managed Care Pros	**Managed Care Cons**
APD and AHCA's administrative workload dealing with thousands of providers would be reduced to managing a limited number of plans.	Client choice and access to multiple providers will be reduced.
Individuals may be able to receive their primary care and long-term care services through the same entity.	Due process and appeal rights will be reduced since plan handles disputes.
The state determines the amount of dollars to be spent and can regulate cost savings.	The provider network will shrink. Those who survive will likely have to operate via sub-contractual relationships with managed care plans, meaning loss of local identity and program uniqueness.
Potential exists for plans to cover the actual projected cost of care since the managed care plans are to be based on actuarially sound rate setting practices.	Service utilization will be closely scrutinized, monitored, and likely require extensive third party or extensive plan reviews which could diminish the availability of needed services – a serious concern for a frail population.

- Cost/Budget neutrality. States are required to demonstrate their waiver expenditures do not exceed the cost of care that would have been provided in an ICF/IID. We understand Florida measures budget neutrality by comparing average waiver costs to average ICF/IID costs. Assuming the average cost of ICF/IID care is $130,000, the Agency could limit the amount of cost plan funding to $130,000 per year. The average iBudget waiver cost per individual is about $35,000 per year.

Cost/Budget Neutrality Pros	Cost/Budget Neutrality Cons
Would function as a maximum cap and would result in millions of dollars in reduced expenditures since it is projected that at least 1,000+ individuals have cost plans that exceed $130,000.	Could result in more individuals seeking institutional care since the $130,000 funding may not cover client need – especially for those with intense medical or behavioral needs.
Would be relatively easy to implement administratively.	May conflict with Olmstead expectations in that individuals could not receive the same level of services in the community that would be available in institutions.
Could be viewed as a more equitable allocation model in that more individuals on the wait list could receive waiver services.	Would limit client choice and may raise HCBS concerns since the iBudget waiver was designed to ensure that individuals receive the same services/supports that would be available in an institution.

- Funding/service caps. Funding/service caps or thresholds could be developed. For this to occur, the Agencies will have to determine ranges of costs for individuals with certain characteristics, determine the number of individuals who would be served within each cap along with their level of service options within each funding band.

Service Caps Pros	Service Caps Cons
Provides some degree of budget predictability.	Will require excellent evaluation tools with little room for error to ensure client need is assessed properly, and the individual is served within a band that is responsive to their needs.
System would be data driven and could be managed via iConnect system.	Could be a problem for high-cost recipients, an analysis of iBudget data would need to be completed to establish reasonable caps.
As in any capitated system, people who need a higher level of care could request an exception	Will likely result in increases in appeal hearings for individuals who feel their cost plans are not funded within the appropriate band.
Would focus expenditure of resources on those individuals with the most significant needs since the tendency would be to seek funding at the highest service band available.	Model is similar to earlier “Tiered Waivers” that failed.

(b) Services – the agency shall identify core services that are essential to provide for client health and safety and recommend elimination of coverage for other services that are not affordable based on available resources

Florida ARF members are hesitant to eliminate any services. We also believe a wide array of services must be available to meet individuals' needs based on a valid assessment process.

Members do not support the concept of core services. The availability of a service such as Respite, or ADT, may be the only needed support holding the family together. Also, decreases in non-core services could increase cost in other services such as Residential Habilitation. Rather than eliminating coverage for waiver services, we recommend that the Agencies assess which services can be offered through the Medicaid State Plan for individuals with intellectual disabilities, such as Consumable Medical Supplies, Therapies, and Nursing. Before this occurs, the Agencies must ensure that the Medicaid program is prepared for this change so that adults do not lose their services.

As mentioned earlier, Florida's waiver has a wide array of services that are intended to ensure that individuals on the waiver receive the same level of care available in an institution. Designation of "core" services, with resulting decisions to not provide funding for that service, could be grounds for Olmstead intervention if individuals cannot receive the same level of care in the community that is available within an institution.

(c) Flexibility. ***The redesign shall be responsive to individual needs and to the extent possible encourage client control over allocated resources for their needs.***

The Agency needs to identify how changes can occur more readily within existing service families. Providers report instances in which clients desire to change services but are limited while waiting for approval.

(d) Support coordination services – the plan shall modify the manner of providing support coordination services to improve management of service utilization and increase accountability and responsiveness to agency priorities.

Members suggested differing ideas regarding Support Coordination. Some suggested individuals should be able to select Support Coordination as an optional service, or at a minimum APD should consider minimal/limited Support Coordination for most individuals once service authorizations become available through the iConnect system.

Again, thank you for the opportunity to provide input. We look forward to working collaboratively with the Agencies to ensure that the Redesign Plan not only brings budget predictability, service changes, and more flexibility, but it must also serve as a pathway for lawmakers to "fix" the iBudget system, including funding the cost of care.

If you have questions regarding our comments, feel free to call me at 850-942-3500.

Sincerely,

Suzanne Sewell

President & CEO
Florida ARF