

Intellectual/developmental disabilities

Mercer Government
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Intellectual/developmental disabilities (ID/DD) programs across the country are facing unprecedented challenges. State officials are confronting increasing demand for services coupled with an insufficient direct service provider workforce. States are also charged with responding to a historic level of legislative changes and to the threat of global health crises that deeply impact people with ID/DD.

To meet these challenges, states are considering program transformations with specific focus on:



How they pay for services,



How they support consumer choice, person-centered care and quality outcomes, and



How they use available waiver authorities to achieve these goals.

Administrators and public-policy officials are facing demands from consumers and advocacy groups to implement more creative systems that allow consumers more control, such as consumer-directed services and individualized budgets. The Centers for Medicare and Medicaid Services (CMS) is enforcing new federal requirements for Medicaid waiver programs, such as the HCBS final rule. States also must comply with CMS expectations to improve access to services for all enrolled individuals, encourage self-directed services, and support quality outcomes for the individuals they serve. The HCBS waiver programs within each state are being closely reviewed prior to renewal to ensure that the services promote individual choice and increase individual control over resources, and that all services and supports are provided in safe environments.

To address the cost implications of expanding service systems, states are developing waivers that capitate individual's cost or limit the number of enrollees, implanting budgetary restrictions, outsourcing services such as case management, and continuing to downsize institutional programs. They are also seeking ways to incentivize outcomes and to drive strong provider performance through mechanisms like Value Based Payments. Significant attention is also being paid to increasing and supporting the workforce through developing career ladders and implementing new provider payment models.

How Mercer Can Help

Mercer Government assists states in evaluating federal compliance; developing and evaluating reform initiatives; linking strategic planning and policy changes to financial outcomes; and reviewing, revising, and establishing reimbursement methodologies and rates. We have assisted many states in complete system reform, which integrates all functional areas, including person-centered planning, provider rate development, program design, procurement, performance-based contracting, staff training and development, systems enhancements, conversion from FFS to a managed care delivery system, and budgeting and fiscal analyses.



Case study



Situation

A state ID/DD department was facing intense pressure from its stakeholders to make its patchwork of multiple waivers understandable and to respond to continuous pressure to serve its large and growing waiting list. The situation was amplified because the projected caseload growth was not matched by any additional funding from the legislature, services were becoming more costly to provide, and waivers required significant changes to achieve simplification. The department of the state was considering how best to structure its Medicaid programs to allow them to address many of these issues together.



Challenge

The ID/DD department was seeking to expand and integrate the range of service offerings, to simplify individual and administrative waiver experience, and to coordinate the efforts of its network of providers while simultaneously creating a more flexible and understandable consumer-driven approach. Mercer Government was called to assist in overall program design and the development of a fair and equitable reimbursement rate system that was consumer-driven, as well as a fair and equitable means of allocating resources using a level or tier system informed by the Supports Intensity Scale (SIS). The state needs to move toward a framework that will allow the state to meet these challenges and find a sustainable funding strategy for the next 10 years.



Action

Mercer Government is approaching the challenge by bringing together former CMS staff, experienced managed care experts, ID/DD specialists, actuaries, and compensation specialists to work with the state. Mercer worked with the state to understand their options to use different Medicaid funding authorities to achieve their goals. Ultimately, the state decided to pursue an 1115 demonstration waiver. Mercer is working with the state to develop a standard rate schedule informed by the SIS based on the compensation costs for direct care staff. Mercer Government is designing a resource allocation protocol for the distribution of state funds as well as an individual and family budgeting tool to serve as the basis for purchasing services using the standard rate schedule. Individuals in the half-dozen ID/DD waiver programs, on waitlists, and served by other programs were carefully counted and multi-year history and projection of the state's new architecture were created for review with state leaders. As a final step, using this robust information, Mercer Government is helping the department develop a compelling presentation for CMS of an 1115 demonstration waiver.



Results

The proposed system transformation and reform will allow users to more easily navigate the services available to them, while compensating the service network fairly and assigning resources more efficiently. These efficiencies may create space to offer services to individuals on the waitlist. The state agency plans to implement the new system and the resource allocation protocol pending CMS approval. The state is planning on moving from a situation of eternal crisis to an example of what carefully managed Medicaid ID/DD services can provide. Together, these tools allow the state to control expenditures, allowing for caseload growth and maintaining budgetary control. Stakeholder groups are actively involved in the new program design and are committed long-term to the system changes.

For more information

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