

Ten Issues To Consider When Implementing Individual Or Level- Based Budget Allocations

**2009 DDSD Statewide Directors Meeting
Albuquerque, New Mexico
October 15, 2009**



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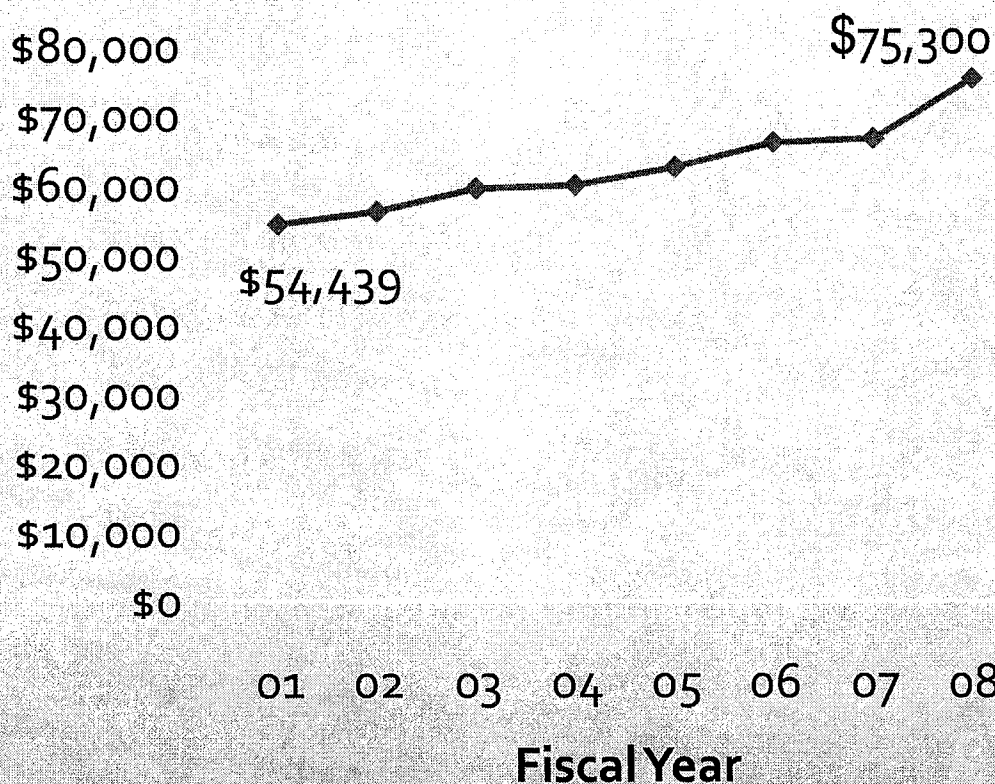
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**New Mexico HCBS
Waiver Cost are
growing*:**

FY 01	\$54,439
FY 02	\$56,283
FY 03	\$59,551
FY 04	\$60,023
FY 05	\$62,374
FY 06	\$66,133
FY 07	\$66,720 (6 th)
FY 08	\$75,300**

*Lakin ** DDSD

**Rising Waiver Costs Per Person
in New Mexico**



Annual Waiver Per Person Costs in States with No Public Institutions (2007)

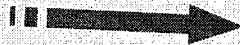


Heading for a Crash!

**Weighty Legacy
Services & Structures**



**Rising Unmet
Demand**



**Workforce
Shortages**



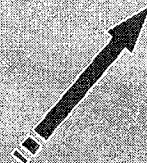
Fragmentation



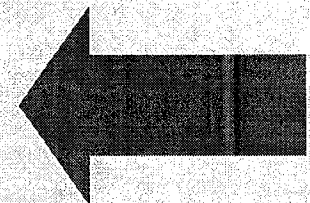
**Quality
Problems**



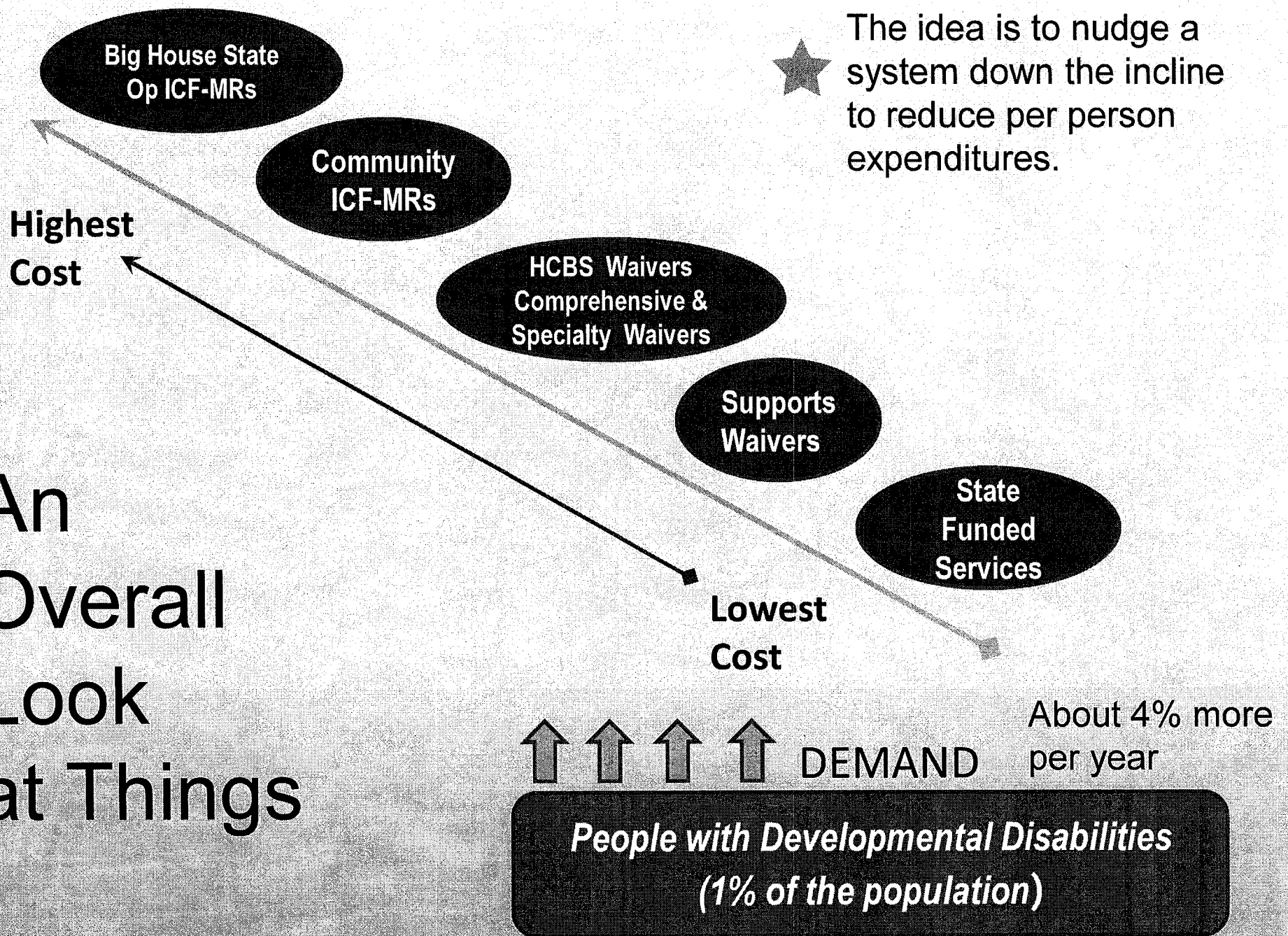
**Antiquated
Technologies**



**Budget
Shortfalls**

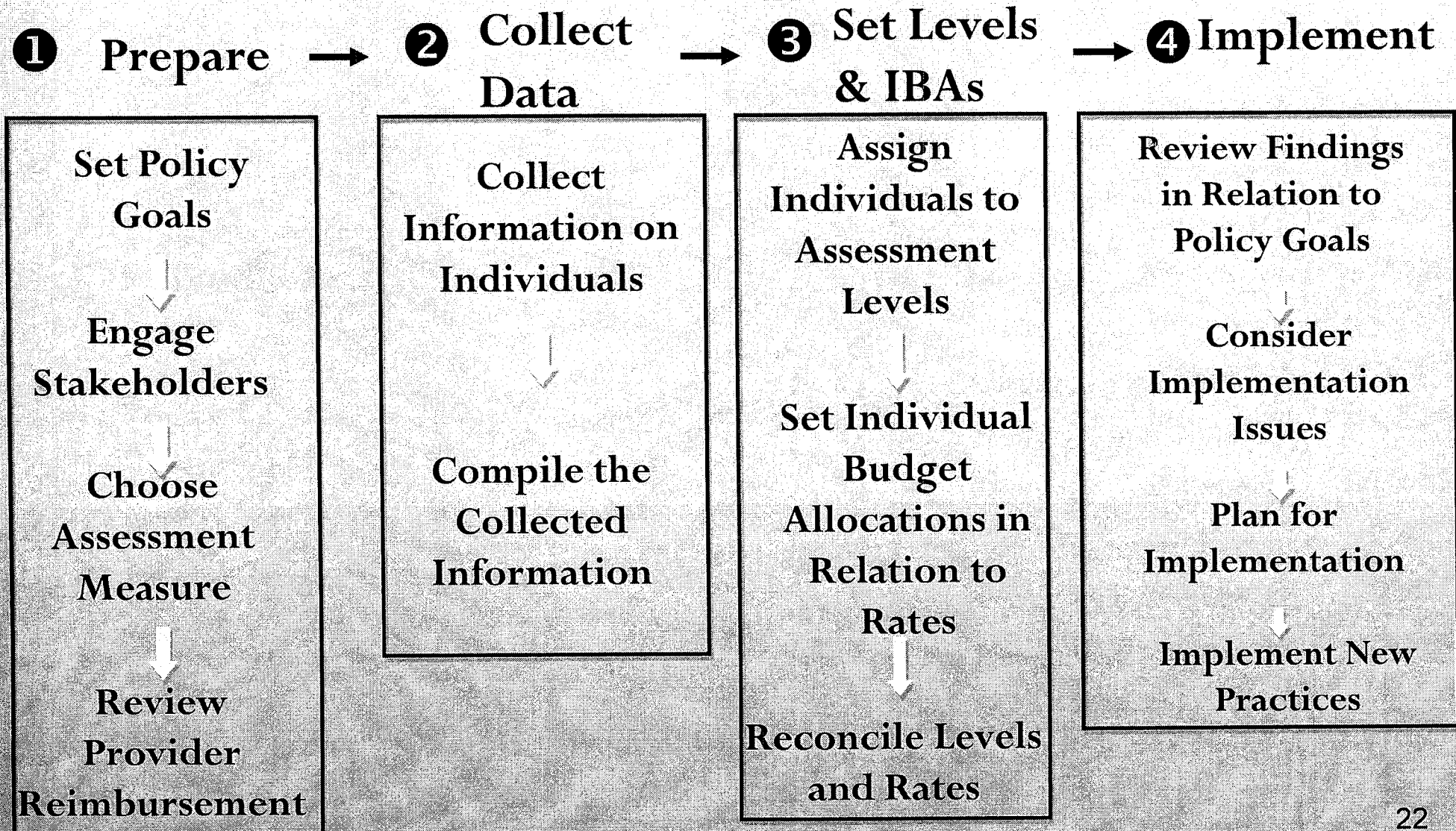


An Overall Look at Things



Overview of the Strategic Planning Process

Developing Individual Budgets In Relation to Service Payment Rates



10 Major Policy Questions/Issues to Consider

PREPARATION

1. What goals are important to establish before embarking on IBA/LBA development?
2. What factors influence the choice of a tool to measure support needs?
3. For budget development, is full population data or a random sample better to achieve the established goals?

DATA COLLECTION & BUDGET DEVELOPMENT

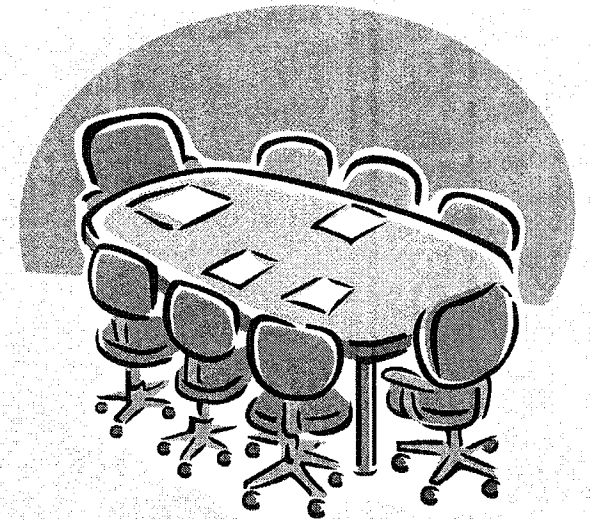
4. What cost/expenditure data are states using to build budgets?
5. What can be done to improve the relationship between assessed individual support needs and resulting allocations/expenditures?
6. How are states developing budget models when they have more than one HCBS waiver?
7. How do budget models accommodate individuals with exceptional care needs and related costs?

IMPLEMENTATION/ MAINTENANCE

8. How often should states reassess support needs?
9. How should states roll out their assessment-informed resource allocation models?
10. What should states do when new people are added, state budgets are reduced, and there is a need to keep rates current and reconcilable?

Don't forget:

Stakeholder Involvement



A stakeholder group should be formed:

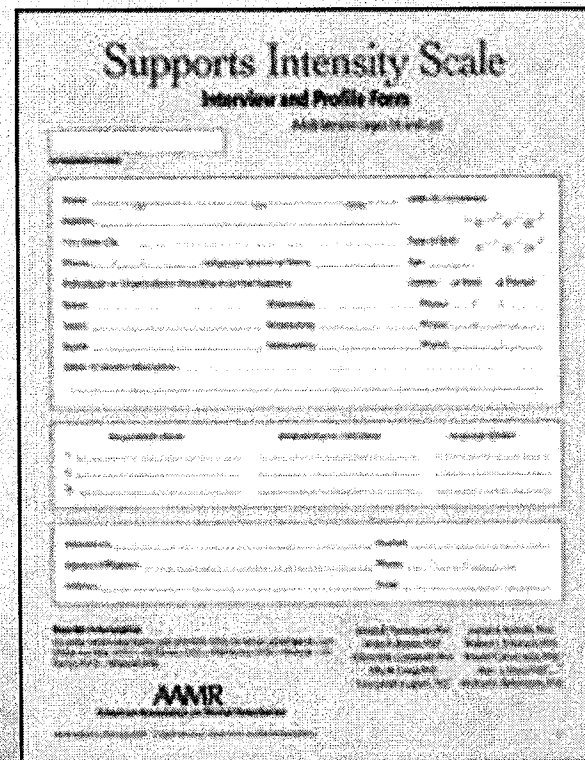
- To help advise the process

- To assure that people know what the process is finding and what decisions are being made.

The stakeholder group should meet regularly and be composed of **self-advocates**, parents, providers, and others.

Supports Intensity Scale

- Administration: Interview the person and others who know the person. Requires solid interviewing skills
- Measures general support needs of an individual producing a number of scores
- Includes basic support need areas like:
 - A. Home Living Activities,
 - B. Community Living Activities, and
 - E. Health and Safety Activities
 - SIS ABE – refers to the sum of the scores for these 3 areas that have been found useful in helping resource allocation
- Identifies Medical and Behavior problems which are also significant cost predictors



The image shows a sample of the Supports Intensity Scale (SIS) Interview and Profile Form. The form is titled "Supports Intensity Scale Interview and Profile Form" and includes a section for "Adult Interviewer's Name". It contains several sections for recording information, including "Person's Information" (Name, Address, Phone, etc.), "Interviewer's Information" (Name, Address, Phone, etc.), and "Supports Intensity Scale" (Home Living Activities, Community Living Activities, Health and Safety Activities, etc.). The form also includes a section for "SIS ABE" (Sum of the scores for these 3 areas) and a section for "Medical and Behavior Problems". The form is designed to be filled out by an interviewer who has conducted an interview with the person and others who know the person.

SIS and State Funding Models



- Georgia – is using the SIS to develop individual budget allocations for 11,522 people since October 2008 for their new support and comprehensive waivers
- Washington: linking SIS and other information to levels of payments and amounts of support services and is expanding from residential to include employment
- Louisiana: informally using a SIS-informed funding system with 2,013 new NOW waiver applicants beginning in January 2009
- Hawaii, Rhode Island, Maryland, Missouri, New Jersey, New Mexico, New Hampshire, North Carolina, Virginia , and Utah are exploring SIS applications for resource allocation
- Oregon and Colorado are using SIS to inform their waiver reimbursement models
- Alberta Canada is rolling out a three year SIS resource allocation initiative

Issue 5. Improve relationship between needs and allocations

The HSRI approach to assigning individuals to individual budgets or budget levels:

- Identify people with similar characteristics.
- Group these individuals based on resource consumption patterns.
- Develop budget levels or individual budgets in ways to :
 - Establish face validity
 - Have a logical progression from least to most needs
- Check the progression in the number of people per category... ideally the most people populate the budget levels indicating less need.
- Account for all those assessed
- Establish separation between budget levels (hours and/or costs)



We are looking for a "Best Fit Solution"

In Colorado

Support
Needs In Six
Levels
structured by
4 main
groups of
Section 1
ABE Results

**Community Safety Risk
Two Levels**

**6 Levels and 42
subgroups of
Support Needs
with Medical and
Behavioral**

For CO 6 Levels of Funding Were Used

- 6 levels of funding were identified to better match individual support needs with funding based on:
 - 4 groups of SIS general adaptive scores
 - 42 subgroups of SIS Medical, SIS Behavioral and SIS adaptive scores (ABE) and a community safety risk factor
- In the community, as the levels increase from 1 to 6 the overall support needs of the individuals increase as do dollars

SLS Spending Cap*	Support Levels	Number of People	Average Paid Claims for FYo8	Median of Paid Claims for FYo8
A	1	1,111	\$10,818	\$10,200
B	2	705	\$14,867	\$14,279
C	3 & 4	360	\$18,106	\$17,582
D	5 & 6	353	\$18,786	\$19,059
Total		2,529	\$14,095	\$13,131

*Fortune, et.al. Colorado Supported Living (SLS) Waiver. (February 2009). HSRI. Portland, OR. Colorado will reexamine these levels and dollars in the spring of 2009 due to budget and economy restraints.

Issue 8. How often should states reassess support needs?

State	Number of Years for SIS Administrations
Georgia	1 year
Missouri	3-5 years
CO, VA, LA	4 years
Oregon	5 years

(everyone phases)

- Individuals on waiting list first
- One waiver at a time
- Level assignments first by different waiver services
- Individual budget assignment with rate work coming first or last
- Everything new but then phased to reduce impact over 5 years
- Do least currently costly people first

Table 2 Change in DDW Group Assignment

Number of Individuals who Changed Groups after Reassessment

	Number of Individuals	Percent
Decreased by One or More Groups	5	1.6%
Stayed the Same	87	28.1%
Increased by One or More Groups	218	70.3%
Total	310	100.0%

Note: Four individuals had not yet received a determination for possible group promotion and were excluded from the above table.

Table 3 Comparison of DDW Group Assignment

Comparison of DDW Group Assignment for Individuals Requesting a Reassessment

Initial Group	Reassessment Group							Total
	A	B	C	D	E	F	G	
A	14	25	11	5	0	1	2	58
B	1	58	35	84	1	1	16	196
C	0	0	7	2	3	2	8	22
D	0	0	3	6	8	8	2	27
E	0	0	0	0	1	3	1	5
F	0	0	0	0	0	1	0	1
G	0	0	1	0	0	0	0	1
Total	15	83	57	97	13	16	29	310

Note: Four individuals had not yet received a determination for possible group promotion and were excluded from the above table.