



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona



2022 Provider Rate Stakeholder Engagement

Agenda

- Introductions
- Review of Historical Funding
- Proposed Rate Adjustments 2022
- Questions and Feedback



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Review of Historical Funding

Rate Adjustment History

- Permanent Rate Increases
 - Oct 2019 - \$92 million
 - All services received a significant adjustment
 - Addressed Direct Care Worker wages and therapy services
 - Oct 2020 - \$12.7 million
 - Increase rates for services affected by Prop 206
 - Therapy rate increase due to Hospital Assessment Fee legislation
 - Oct 2021 - \$101.4 million
 - All services except therapies received a significant adjustment

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Incentive Funding History

- Public Health Emergency Funding - \$245.3 million
 - Temporary rate increases to most services - \$161.4 million
 - Majority of funding required to be paid to direct care workers
 - Lump-sum payments to other services - \$83.9 million
 - All services received funding
- Vendor Timeliness Incentives - \$27 million
 - Funding for high performing vendors who provide timely services
 - \$12 million - April 2021
 - \$15 million - August 2022
- Abuse and Neglect Training - \$3.5 million
 - Vendors reimbursed for each staff member trained with the new requirement
 - 839 members and 13,210 staff have completed the training

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American Rescue Plan Act

- Year 1 (2022) - \$260 million
 - All services
 - Goal is to maintain and strengthen the direct care workforce through time-limited payments to vendors
 - Vendors must attest that 80% of the funds received are paid to the direct care staff
- Year 2 (2023) - TBD by AHCCCS
- Year 3 (September 2024) - TBD by AHCCCS

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Summary of Recent Increases

Funding (In Millions)	
Permanent Rate Increase	
2019	\$92.0
2020	\$12.7
2021	\$101.4
Public Health Emergency	\$245.3
Vendor Timeliness Incentive	\$27.0
Abuse and Neglect Training	\$3.5
ARPA (Year 1)	\$260.0
Total	\$741.9

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Engagements with the DDD Community

Office of Individual & Family Affairs

- Conducted 16 public Town Halls with families, members, advocates, and vendors
- Conducted 1,073 community engagement activities, reaching 38,995 people

Vendor Specific Outreach

- Monthly meetings with Arizona Association of Providers for People with Disabilities
- Conducted 14 vendor surveys to be informed of issues impacting members, Vendors and Providers

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How Rates Are Established

How Rates Are Established

- Reimbursement Rates include costs for:
 - Direct support professional wages
 - Supervisor wages
 - Payroll taxes and benefits
 - Program costs such as supplies
 - Mileage reimbursement
 - Vehicle costs
 - Administrative costs

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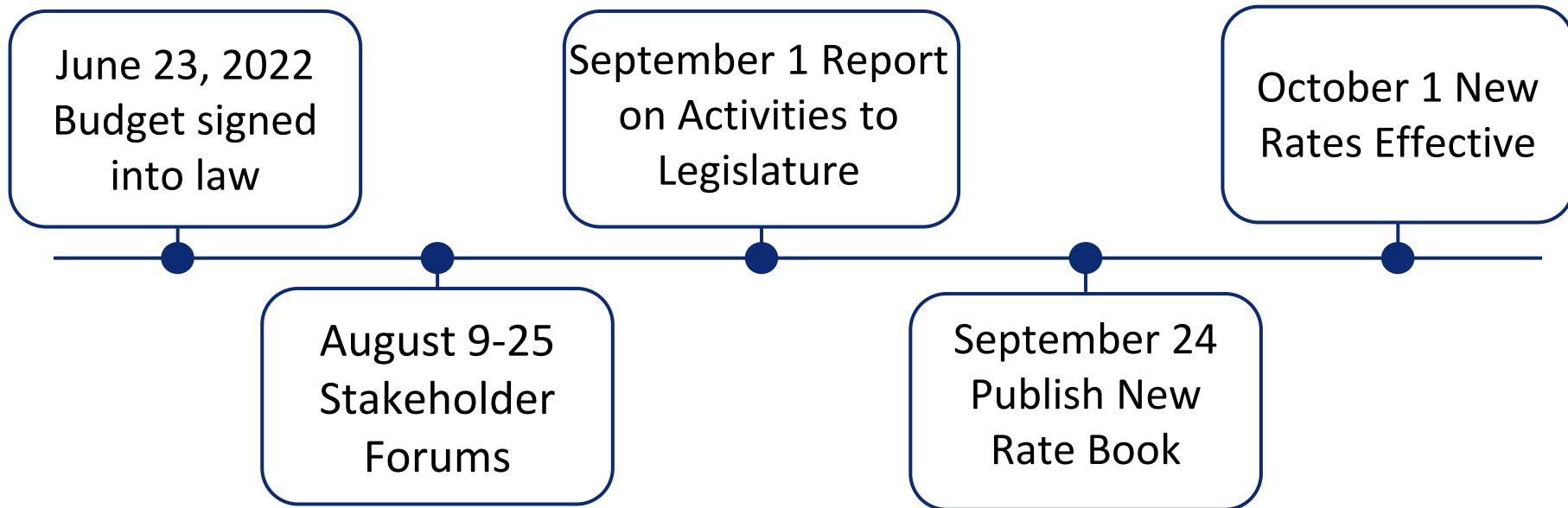
Proposed Rate Adjustments 2022

2022 Funding

- The Governor and Legislature passed the 2022 General Appropriation bill that include funding for CES and provider rate increases
- Allocated additional funding of \$57.6 million in General Funds
- Total Funds = \$186.9 million
- Funds allocated by the legislature for Home and Community Based Services

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Funding Timeline



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Expected Funding Impact

- Improved service delivery for 38,000+ members who are long term care eligible and their families.
- Engagement of members and their families.
- Improved access to care and quality of service delivery.
- Reduced the time to connect members to providers for medically necessary services.
- Continued efforts to stabilize the workforce.

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Proposed Increases

Effective 10/1/2022:

- Increase of \$3.05 per hour for services traditionally delivered by direct care workers (12% to 16% increase)
 - Attendant Care
 - Respite
 - Habilitation, In-Home
 - Group Homes
 - Day Programs, Center and Group Employment, Transportation
- Increase of 8% for:
 - Therapy Services
 - Nursing Services
 - Nursing Supported Group Homes
 - Developmental Homes
 - Individual Supported Employment and Employment Support Aid Services

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Day Programs

- Specific increases to lower ratio rates
- Align more with the 1 to 3.5 rate
- Example:
 - 1:1 Rate
 - \$25.62 – Current
 - \$36.78 - Proposed

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Proposed Increases

Effective 1/1/2023:

- Increase of \$.90 per hour for services traditionally impacted by minimum wage increases
 - Attendant Care
 - Respite
 - Habilitation, In-Home
 - Group Home
 - Day Program, Center and Group Employment, Transportation

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Services Not Adjusted

- Room and Board
 - Not Medicaid reimbursable. Any increase in rates would impact the member's share of cost.
- AzEIP Services
 - AzEIP is conducting forums in August and will be adjusting rates that impact all members in the Early Intervention program

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Proposed Rate Requirements

Implement a requirement for every rate that a certain percentage of the full rate is paid to the direct care worker

- 60% of the total reimbursement for the following services
 - Attendant Care
 - Respite
 - Habilitation, In-Home
 - Group Homes
 - Day Programs, Employment, Transportation
- Vendors who have extenuating circumstances can apply for an exception

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Proposed Rate Requirements

- Items that would count towards the 60% requirement
 - Salaries
 - Wages
 - Stipends
 - Overtime - only the portion calculated as straight time instead time and a half
 - None of the employee related expenses such as payroll taxes

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Proposed Rate Requirements

- The requirement is the average spending per agency
- Allows vendors flexibility in the staffing salaries
- For example:
 - Agency A receives a total of \$100,000 from base rates
 - Required to spend **\$60,000** on direct care workers

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Summary of Proposed Increases

Service Grouping	Service	Funding
Home Based	Attendant Care	\$38,620,000
	Habilitation Hourly	\$25,480,000
	Nursing	\$5,490,000
	Therapies	\$6,770,000
	Respite	\$17,160,000
Residential	Developmental Homes	\$5,520,000
	Group Homes	\$59,320,000
	Group Homes - Nursing Supported	\$2,800,000
Site Based	Day Programs	\$22,840,000
	Employment	\$2,110,000
	Transportation	\$810,000
Totals		\$186,920,000

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Comments/Questions

Thoughts and Feedback

- Website - <https://bit.ly/dddrateforums>
- Feedback Form - <https://bit.ly/dddratesfeedback>
 - Written feedback needs to be submitted by Monday, August 28, 2022

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