DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

Early Intervention Program

2015 Provider Rate Rebase

Responses to Public Comments

Comment Period: June 15, 2015 – July 15, 2015

August 1, 2015

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Overview

The Arizona Early Intervention Program (AzEIP) released the original version of the RebaseBook on June 14, 2105 for public comment. That original version of the RebaseBook contained the recommendations for the proposed Benchmark Rates from Burns & Associates, Inc. Public comments and opinions on the RebaseBook were accepted until July 15, 2015 and are summarized in the document below. Any comments submitted after the deadline are not included.

In total, only five (5) comments were submitted during the public comment period. The comments have been reviewed, categorized and summarized within this document to formulate the responses and any duplicate comments were summarized into a single comment. The individual topics addressed in the comments are:

1. General Results
2. Productivity
3. Other Factors, Mileage
4. Tier Assignments
5. Billing Rules

Changes to Rebased Rates

After the comments were submitted they were reviewed and summarized, B&A and AzEIP conferred on what changes were to be made to the proposed Independent Rate Models and the resulting rates. Due to the nature of many of the comments, the consensus decision to proceed with the Independent Rate Models, as published on June 15, 2015, was reached.

The balance of this document presents the summarized public comments received and the responses arranged by the 5 topic areas listed above.

AzEIP's Response to Public Comments

The following pages present summaries of the public comments received arranged into the five separate categories. Within each category the summarized comment is presented together with the B&A's and the AzEIP's response.

1. General Results

One comment was submitted that expressed concern related to the resulting rates determined by the Independent Rate Models and requested clarification on the resulting impact to the rate structure for the Team Based Early Intervention Services.

The resulting rates developed during the Rebase process have introduced recommended increases for all services, most services are proposed to have an increase of 10% (or more), excepting:

- *Developmental Special Instruction, Master's (Clinical Setting) at 8.74% increase, and*
- *Social Work, Master's (Clinical Setting) at 9.57% increase.*

Table 1
Comparison of Current Rates to 2015 Rebase Rates

Team-Based Early Intervention Services	Setting	Currnet Rate	2015 Rebase Rate	Percent Increase
Therapy Services	Clinical	$61.58	$76.23	23.8%
	Natural	$84.12	$105.14	24.99%
Developmental Special Instruction (Bachelor's)	Clinical	$38.87	$43.31	11.42%
	Natural	$54.98	$62.07	12.90%
Developmental Special Instruction (Master's)	Clinical	$54.32	$59.07	8.74%
	Natural	$74.81	$82.66	10.49%
Social Work (Bachelor's)	Clinical	$27.13	$31.51	16.14%
	Natural	$39.92	$46.65	16.86%
Social Work (Master's)	Clinical	$38.98	$42.71	9.57%
	Natural	$55.12	$61.28	11.18%
Psychological Services	Clinical	$48.85	$69.12	41.49%
	Natural	$67.78	$95.79	41.32%
Service Coordination	All	$40.18	$44.20	10.00%

However, the resulting rates, when fully implemented will require additional funding. Additionally, for the State Fiscal Year 2016 (SFY2016, or July 1, 2105 through June 30, 2016), the AzEIP has not received a funding increase, as compared to the prior period, to support the new rate structure. Due to this fact, B&A has recommended and AzEIP intends to publish, a rate structure that supports the concept of ***Benchmark Rates*** *and* ***Adopted Rates****, where:*

- ***Benchmark Rates*** *are defined as the rate determined by the Independent Rate Model that reflects the unit rate for the service that the AzEIP believes should be paid for the service. That is, if funds are available, these rates represent the 'market rate' for the service.*

- ***Adopted Rates*** *are defined as the rate determined by the AzEIP that* *<u>are paid</u>* *for the service. That is, based upon available funding, a factor is applied to the Benchmark Rate to adjust the rate to a level that the AzEIP is able for fund for the fiscal period.*

For the period encompassing SFY16, the AzEIP will be supporting this new structure. The following table displays the new rate structure with the applicable Benchmark Rate, Adopted Rate and the resulting Adopted-to-Benchmark Ratio.

Table 2
2016 Rates for Publication

Team-Based Early Intervention Services	Setting	Benchmark Rate	Adopted Rebase	Adopted: Benchmark Ratio
Therapy Services	Clinical	$76.23	$61.58	80.78%
	Natural	$105.14	$84.12	80.01%
Developmental Special Instruction (Bachelor's)	Clinical	$43.31	$38.87	89.75%
	Natural	$62.07	$54.98	88.58%
Developmental Special Instruction (Master's)	Clinical	$59.07	$54.32	91.96%
	Natural	$82.66	$74.81	90.50%
Social Work (Bachelor's)	Clinical	$31.51	$27.13	86.10%
	Natural	$46.65	$39.92	85.57%
Social Work (Master's)	Clinical	$42.71	$38.98	91.27%
	Natural	$61.28	$55.12	89.95%
Psychological Services	Clinical	$69.12	$48.85	70.67%
	Natural	$95.79	$67.78	70.76%
Service Coordination	All	$44.20	$40.18	90.90%

2. Productivity

One comment was submitted concerning the productivity adjustments used in the Rebase Rates concerning the adjustment for <u>Missed Appointments</u>. The commenter stated that the actual missed appointments encountered within the program vary greatly based upon the individual family's circumstances. In the situations where the rate is 'extreme', the resultant cost burden to the AzEIP contractor is substantially higher that the factor within the individual Independent Rate Models are currently accounting for.

B&A and the AzEIP appreciate the commenters' issue and are aware that the actual rate of missed appointments can vary based upon several factors inclusive of family circumstances and geographic area (as well as other factors not itemized). However, the resulting factor determined for use within the Independent Rate Models is an aggregated total for the population being served. That is, while a Team may encounter an 'extreme' rate of missed appointments for a single individual served, the same Team may also encounter an extremely low rate (or zero) rate of missed appointments.

The factors included within the Independent Rate model are not intended to reflect the actual practices for all Team Based service delivery situations that arise, but are intended to reflect the 'typical' (or average) situation that arises generally within the population.

3. Other Factors, Mileage

A comment was received that stated the mileage factor ("Number of Miles") included in the Independent Rate Models does not fully reflect the actual travel experienced by AzEIP vendors, the comment also specifically referenced geographic areas for which this issue is particularly acute.

B&A and the AzEIP appreciate the commenters' issue and are aware that the actual mileage incurred can vary based upon several factors, especially the geographic area being served. However, the resulting factor determined for use within the Independent Rate Models is an aggregated total for the population being served. That is, while a Team may encounter an 'extreme' amount of mileage for a single individual served, the same Team may also encounter an extremely low amount for a different individual.

The factors included within the Independent Rate model are not intended to reflect the actual practices for all Team Based service delivery situations that arise, but are intended to reflect the 'typical' (or average) situation that arises generally within the population.

Additionally, the AzEIP has adopted a system to adjust the rate paid for services provided is 'underserved' areas through the Tier designation. While the structure adopted does not alter any individual factors with the rate model (e.g. mileage), the overall rate is adjusted to account for additional cost factors incurred while serving non-Metropolitan areas. This allows the provider to be reimbursed for the additional costs incurred for serving these areas.

4. Tier Assignments

A comment was received recommending a review of and potential reassignment of the Tier assignments for some of the outlying areas within the State. The comment included specific recommendations for assignments within some of these geographic areas.

B&A performed a review of the current Tier assignments in place for the AzEIP billings. During this review, B&A recommended that the AzEIP 'align' current practices with the Division of Developmental Disabilities (DDD) to ensure consist practices between the two programs. Also, B&A recommended that the AzEIP adopt geographic adjustment factors identical to those proposed by the DDD during their Rebase activities that were finalized in June 2014 (please refer to the DDD website for more detailed information). The proposed geographic factors would modify the current Tier system to a system that will allow for easier management. However, to date, the DDD has not implemented this new geographic adjustment structure and continues to support the Tiers.

Additionally, although the Rebase efforts did not include recommendations to change any particular Tier assignments, B&A has recommended to the AzEIP that a consistent communication between the AzEIP and DDD be introduced to ensure adjustments and re-alignments desired by one of the programs be adopted by both programs.

5. Billing Rules

A comment was received asking for clarification regarding the billing rules for services. In particular, the prevailing policy adopted by AzEIP to allow for Service Coordination to bill for travel time.

While B&A did perform a review of the possible impact of revising selected billing rules, at this time the AzEIP will not be adopting changes to the historical billing practices. This decision not only applies to the specific billing rule cited, but other billing rules currently supported within the AzEIP (e.g. Team Conferencing).

However, of particular note, within the Service Coordination Independent Rate model there have been no adjustments for Productivity (non-billable activities) for the purpose of Travel Time. That is, since the prevailing policies allow for this service to bill for the time traveled, the adjustment is not appropriate for this service. Additionally, one should note that the standard adjustment for mileage (reimbursement for the cost to operate the vehicle) is included within the model.