

Virginia Network of Private Providers, Inc.

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An association for persons or organizations with an interest in or that provide support for persons who have mental illness, developmental delay or substance use disorder, and who are licensed by or funded by the Department of Behavioral Health and Developmental Services.

Presentation to the Behavioral Health Care Sub-Committee of the Joint Commission on Health Care May 17, 2011

Today I would like to make three points specifically related to the challenges faced by the Commonwealth in responding to the DOJ Report:

- The DOJ report, and subsequent presentations by Secretary Hazel and staff of DBHDS, suggested that we are not utilizing the Money Follows the Person Program to its fullest extent – MFP allows a higher Federal Match for a year if certain conditions (size of residential placement) are met.
 - We have, based on a recent survey of members, developed data to show that there is **significant capacity currently to accept individuals from Training Centers into sites which would comply with the Money Follows the Person requirements of four beds or fewer** – 40% of those who reported that they had qualified sites have vacancies. You have a report of those findings in your notebook.
 - We also have data which confirms that 50% of the providers with larger sites are willing to hold vacancies (to insure 4 beds or fewer) for a year to accommodate MFP referrals.
- One of the greatest challenges to placement for many is that lack of funding to provide the necessary modifications to a residential program to, for example, accommodate a wheelchair.
 - Several months ago we confirmed that **CMS has apparently changed their regulations to permit the use of MFP Transition funding for that purpose**; we are now waiting for DMAS to make this a priority and either decide it is permissible within the current state regulations or to begin the process to modify the regulations.
 - With the loss of the “start-up” funding which was available in previous budgets, this is a critical problem which fortunately has a solution! I can speak for both VNPP and VACSB; we are in support of making whatever regulatory changes, if any, are needed to solve the problem as quickly as possible.

- Lastly, we know that the Medicaid payment rates, especially for smaller residential options have been and continue to be an issue. Data collected in our recent survey (I believe there is a copy in your notebook) show the steps being taken by providers to contain costs while minimizing the impact on the health and safety of the individuals which we support.
 - As you know, with your support, the 5% rate cut that was planned for July 1st was reduced to a 1% rate cut for all HCBS Waivers. One percent doesn't sound like much, but it certainly is enough to further limit the provider's ability to meet the needs of the individuals we support and the individuals we employ to do this challenging work.
 - We hope that we do not spend too much time studying the topic; those of us who have been involved in the ID Waiver program for the past 21 years, can assure you that previous studies have proved that we, as providers, operate within our means; in other words, **"cost" studies show that our costs are, by necessity, essentially equivalent to our revenues!**
 - We hope that DMAS will, in response to numerous requests from VNPP and from the Office of Developmental Services at DBHDS, assign separate billing codes to the several types of residential services so that we can collect accurate cost data in anticipation of some of your support for a differential rate for MFP qualified group homes.

All of the above will tie in very well to address the issues raised by DOJ and to respond to the directive in the Budget to *"improve and/or develop Medicaid waivers for individuals with intellectual disabilities and developmental disabilities that will increase efficiency and cost effectiveness, enable more individuals to be served, strengthen the delivery of person-centered supports, enable individuals with high medical needs and/or high behavioral support needs to remain in the community setting of their choice, and provide viable community alternatives to institutional placement. [Chapter 890, #297 BBBB]*

Presented by:

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Attachments

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March 15, 2011

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The Virginia Network of Private Providers recently surveyed it's members to assess the capacity of Money Follows the Person (MFP) qualified residential options. An MFP qualified residence is one with four or fewer beds which can accept an individual placed from a nursing home or ICF-MR and an MFP "slot" has a 75% federal match for the first year – a significant cost savings for Virginia.

Even in this sample (small by comparison to the entire universe of ID providers) there are **more than 360 beds currently licensed in MFP qualified sites** – supervised apartments, sponsored residential homes or group homes with four or fewer beds. The types of residential options reported are displayed on the attached table.

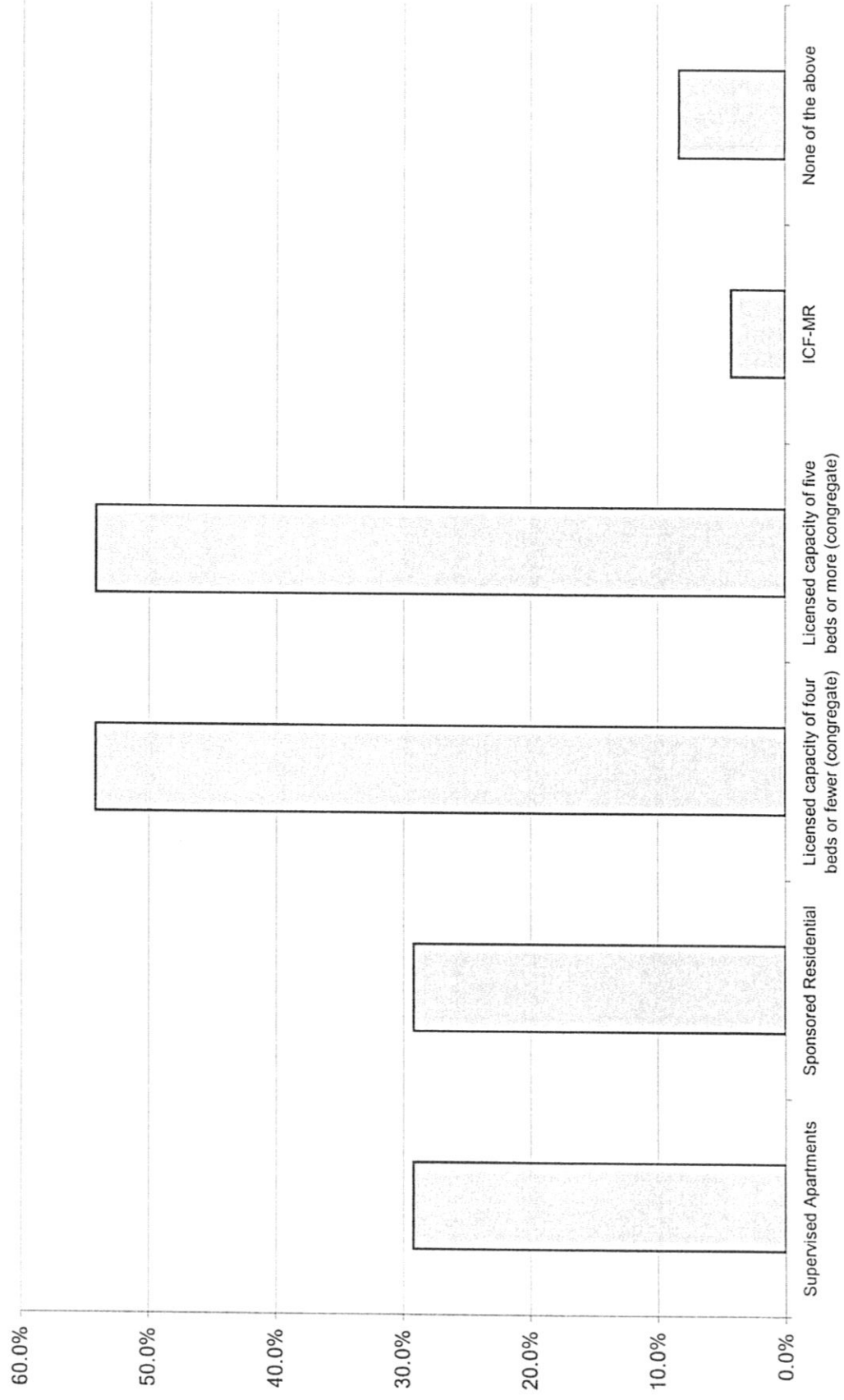
More than 40% of those reporting MFP qualified sites said they have vacancies and nearly 50% of those who operate non-qualified sites of five beds or more said they would accept an MFP referral and hold the site to four beds or fewer for the MFP year.

The disturbing result of the survey is found in the data about cost containment strategies. In this case we asked what strategies would be employed for the next 18 months with no increase in rate expected and we compared that to the strategies employed to adjust to the 5% cut of July 2010. Several points emerged:

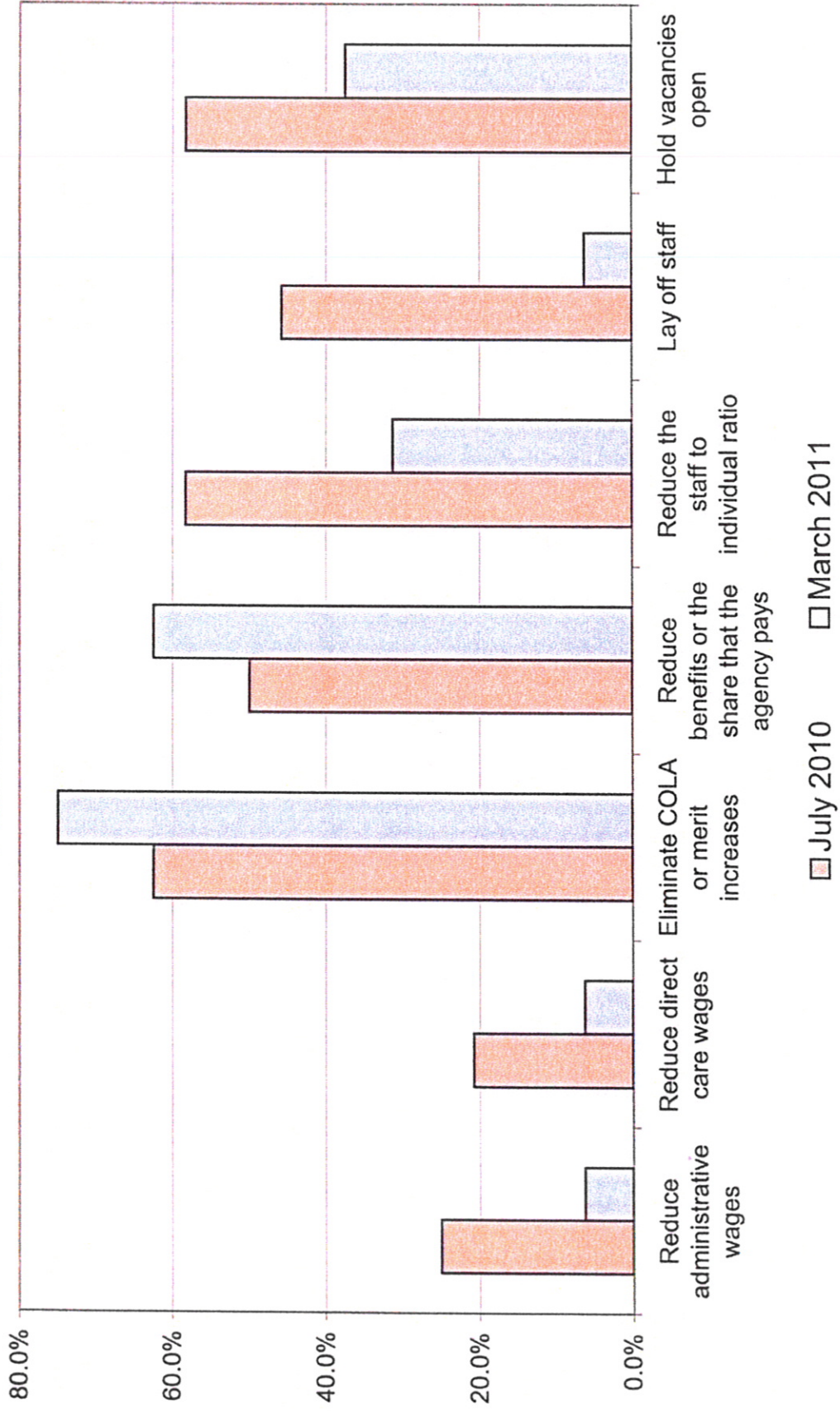
- Programmatically more providers are planning consolidation of sites to increase size which will inevitably lead to the loss of more jobs; we continue to reduce the "special activities" and clearly have few vehicles left to eliminate
- Administratively we will hold off a year or two longer on giving merit or COLA increases, will continue to try to reduce the provider share of benefits and hold some vacancies open, but we have clearly laid off all the staff we can and that strategy is no longer available.

We think the message is clear – the opportunity is now to utilize the MFP option which was one of the significant issues raised in the DOJ report on CVTC. The provider community is being forced to increase program size which is neither good for the individuals we support nor for the Commonwealth.

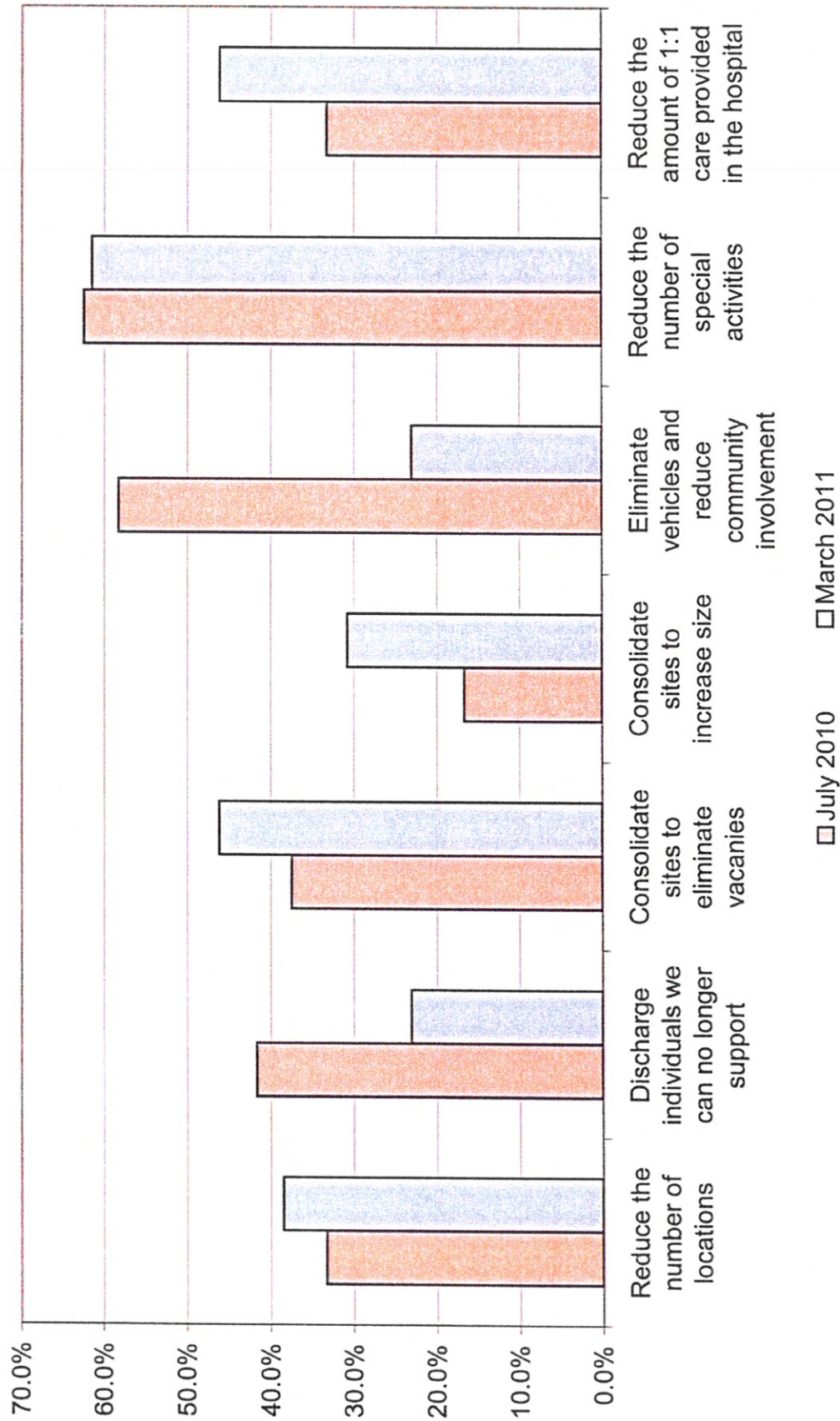
Types of Residential Supports Offered



Cost Containment Strategies - Administrative



Cost Containment Strategies - Programmatic



Growth Comparison of ID Waiver Residential Rates and Federal Poverty Level

