



## Project Brief

February 2007

This project brief informs Colorado stakeholders about the work that the Human Services Research Institute (HSRI) and Navigant Consulting, Inc. (NCI) are performing on behalf of the Department of Human Services and the Division for Developmental Disabilities (DDD). The HSRI/NCI team is providing consultation to the state concerning Colorado's Comprehensive and SLS Waivers for people with developmental disabilities to bring them into alignment with federal requirements. The team also is assisting the state to restructure waiver payment rates so that they are based on individual support needs. These new rates will replace the interim rates that were implemented in 2006 to address concerns raised by the federal Centers for Medicare & Medicaid Services (CMS) about Colorado's payments for waiver services.

### Project Activities to Date

In January, the project team developed a cumulative working policy issue list to address and track issues regarding rate and tier level construction. This list is updated regularly as the team completes project tasks.

NCI conducted the first of several bi-weekly calls with members of the Technical Advisory Group (TAG) on January 8<sup>th</sup>. The TAG was established to secure additional stakeholder input in the rate design. Bi-weekly calls will continue as scheduled throughout the project.

In February, HSRI submitted three reports to DDD regarding the construction of preliminary rate tiers by type of living arrangement linked to the SIS sample data. These reports describe HSRI's analysis of the SIS data and construction of preliminary rate tiers by type of living arrangement linked to the SIS. HSRI, however, has encountered technical issues in constructing day habilitation rate levels. The project team is developing possible alternatives.

On February 12, NCI representatives met with TAG members to discuss key issues related to ratesetting. At this meeting, HSRI presented an update on the proposed rate structure for Residential Habilitation services. Several small groups provided updates on rate setting items including (a) cost components for services, (b) geographic area adjustments, (c) wage and labor data, and (d) the Provider Cost Survey.

NCI finalized the Provider Cost Survey and distributed it to providers on February 15, with responses due March 5, 2007. The data collected will be used to check cost component assumptions in the draft rate models. Results of the survey will be presented to the TAG on March 19.

NCI has designed a database to analyze preliminary rate configurations for Residential Habilitation. Preliminary testing using available State Fiscal Year 2007 utilization data is complete.

DDD and HCPF have approved HSRI's preliminary analysis and rate levels. Meanwhile, NCI is developing preliminary assumptions associated with service definitions and components for the initial rate levels.

Also this month, HSRI has been consulting with DDD regarding Waiver amendments to ensure that the waivers align with federal requirements.

### Upcoming Project Activities

NCI will prepare a summary of the provider cost data collected in the survey in early March.

NCI will propose preliminary draft rates to DDD and HCPF on March 21.

HSRI will continue to review and comment on draft waiver materials prepared by DDD.