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To: CCB Executive Directors
Policy Advisory Committee
CEARCs
CAPRA
Speaking For Ourselves
Self-Advocate Advisory Council

From: Fred L. DeCrescentis, Director, Division for Developmental Disabilities, DHS
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Subject: Status Report on Colorado's Comprehensive Services Waiver Reform

Date: May 31, 2006

There has been much speculation, confusion and rumor about changes being made to the Comprehensive Services waiver in response to the Centers for Medicare and Medicaid Services (CMS).

The purpose of this memorandum is to provide you with information about:

- Why changes are being made.
- What are the implications to the changes being made?
- When will changes be completed?
- Who is responsible for making the changes?
- Keeping our constituency informed.
- How you can help us.

Why changes are being made:

CMS conducted a review of Colorado's Comprehensive Services Waiver in 2004. In followup to that review, in November 2005 CMS raised concerns about the adequacy of the "audit trail." In response to this, the Department of Health Care Policy and Financing (HCPF) and DDD are making some fundamental changes to the way services are authorized and billed. Colorado will no longer use a "bundled" payment for comprehensive services, which means each individual will be authorized and billed separately for each of the nine services contained in the comprehensive services waiver (residential habilitation, day habilitation, transportation, supported employment, skilled nursing, specialized medical equipment and supplies, behavioral services, dental and vision). Additionally, the state is in the process of establishing uniform

rates for each of the nine service areas and implementing a process for providers to bill directly for delivery of these services if they choose.

What are the implications to the changes being made?

DDD and the 20 CCBs have historically managed to the annual legislative appropriation. That is, CCBs and other provider entities provided services and supports based upon available resources to meet those needs identified within each person's Individual Plan. Since Systems Change in 1999, each of the CCBs would receive an average payment for services rendered and documented. Under the new system, CCBs, Regional Centers and other Medicaid providers will be paid a fee for one or more of the nine services provided, consistent with the Individual Plan. The fee will be a standard rate identified for each of the nine services provided under the waiver. Another change is that some of the Medicaid providers, other than CCBs, will be contracting directly with HCPF and begin billing directly to the Medicaid Management Information System. These changes in how payments are made will have other implications for the service system. We are working to identify any other implications and working to minimize any negative effects that they may have on services to individuals.

When will the changes be completed?

HCPF and DDD have developed interim and long term plans for review and approval by CMS. The interim plan will be ready for implementation by July 1, 2006 and will establish interim rates for comprehensive waiver services for one year. The long-term plan is scheduled for completion by July 1, 2007 and will include a long-term rate setting methodology based on the use of an "intensity of need" assessment tool and rates determined by an actuarial study.

Who is responsible for making the changes?

The Single State Medicaid Agency (HCPF) is ultimately responsible for having administrative authority over any waiver. However, under an interagency agreement with the Colorado Department of Human Services, Division for Developmental Disabilities, it delegates certain responsibilities for waiver oversight, monitoring and implementation. HCPF and DDD are working with representatives of the CCBs, the Governor's Office and a consultant (Segue Consulting) to assist in completing the changes necessary for both the interim and longer term plans.

Keeping our constituency informed and involved:

HCPF and DDD want to keep you informed by responding to those questions most frequently asked. As a result, HCPF and DDD have established websites to post responses to "Frequently Asked Questions" (FAQs). The first set of questions and responses are now being posted to the DDD website. You can access responses to FAQs by going to the following: http://www.cdhs.state.co.us/ohr/dds/FAQ/FAQ_Main.htm In the near future, we expect that other agencies (HCPF, CCBs, Arcs, etc.) will also post this information on their website to further facilitate access.

The DDD website will include an email address that may be used to submit additional questions. If you do not have access to email, questions can be mailed to Fred DeCrescentis, Division for Developmental Disabilities, 3824 W. Princeton Circle, Denver, CO 80237, or you may send questions to Viki Manley, Health Care Policy and Financing, 1570 Grant Street, Denver, CO 80203-1818. Please do not send questions that are unique to your personal situation and/or that could not be posted on a public website; such questions should be directed to your case manager. Questions that have already been responded to will not be responded to again so we urge you to review the questions and answers already posted. Because HCPF and DDD have mechanisms in place for responding to questions of a technical or contractual nature, these questions will not be responded to on the public websites. However, we will forward these to the appropriate person for responses within existing mechanisms.

How can you help us?

You can help in at least two ways: (1) Ask questions that are important to you. DDD/HCPF will respond to most FAQs and post them on the web site noted earlier; and (2) Participate in public forums in which we are asking for your review and comment. For example, a special meeting of the Policy Advisory Committee has been scheduled for June 7th (1:30 p.m. at The Legal Center) to assist HCPF and DDD in selecting a standard tool to measure "intensity of need" or "difficulty of care" in order to use the information to set rate tiers for residential habilitation and day habilitation. This is being done in response to the CMS requirement that we have a standard rate setting methodology.

Please share this information with others that may be interested and we appreciate your efforts to assist us in communicating in an accurate and timely fashion.