



STATE OF DELAWARE
STATE COUNCIL FOR PERSONS WITH DISABILITIES
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The Honorable John Carney
Governor

John McNeal
SCPD Director

MEMORANDUM

DATE: October 29, 2021

TO: Ms. Nicole Cunningham, DMMA
Planning & Policy Development Unit

FROM: Terri Hancharick – Chairperson *TH*
State Council for Persons with Disabilities

RE: DMMA Public Notice – Targeted Case Management for Individuals with Intellectual and Developmental Disabilities Meeting Delaware DDDS Criteria Living in Their Own Home or the Family Home, 25 Del Reg. of Regulations 422 (October 1, 2021)

The State Council for Persons with Disabilities (SCPD) has reviewed the Division of Medicaid and Medical Assistance's (DMMAs) public notice announcing proposed changes to the reimbursement methodology used for Targeted Case Management ("TCM") for individuals with intellectual or developmental disabilities ("IDD") qualifying for services from the Division of Developmental Disabilities ("DDDS") who are living in their own home or the family home. SCPD has the following observations.

Targeted Case Management services are defined by the relevant Medicaid State Plan Amendment ("SPA") as "services furnished to assist individuals, eligible under the State Plan, in gaining access to needed medical, social, educational, and other services, regardless of the funding source for the services to which access is gained" (see State Plan Amendment Transmittal DE-16-011, *available at* <https://www.medicaid.gov/sites/default/files/State-resource-center/Medicaid-State-Plan-Amendments/Downloads/DE/DE-16-011.pdf>). These services are provided by "Community Navigators" who are employed by contracted provider agencies. TCM

services were approved to be provided to both individuals who were living in their own home or the family home and to individuals receiving Residential Habilitation services through a DDDS-contracted provider.

The reimbursement methodology currently in use was approved by CMS as part of the SPA that introduced coverage for TCM for DDDS clients in 2017. According to DMMA's explanation, as TCM services had not previously been provided as defined by the 2017 SPA, 'initial rates were established based largely on budgeted cost data and assumptions of Medicaid eligibility and service utilization.' The current methodology uses a "carry forward adjustment to compensate for differences between estimated and actual costs from the prior period used in the TCM rate calculation."

DMMA is proposing to shift to a "prospective negotiated rate structure" for TCM services provided to individuals in their own homes or their family home. This would entail DMMA agreements with providers based on a restructured calculation method for the overall reimbursement rate. Rates could still be renegotiated by the provider should "unforeseen policy changes" result in more than a 5% increase in program costs. The proposed new methodology would restructure the limits for General and Administrative costs for contracted providers. DMMA's reasoning for the proposed change in methodology is that the current methodology "combined with changes to the service delivery model that have been implemented over time" have resulted in "wide swings in the annual TCM rates" that have resulted in some unpredictability in reimbursement rates. DMMA feels that such wide variation in rates is potentially discouraging to both current and prospective contracted providers of TCM services. DMMA does not specify what the changes in the TCM service delivery model have been, however the proposed changes do not appear to affect what services would be covered as part of TCM or what categories of costs would be reimbursable for providers.

According to the information provided in the notice, the change in reimbursement methodology is not expected to result in a change in overall cost, however it is expected to result in more stable rates over time. Despite the change in reimbursement methodology providers would still be required to submit regular cost reports "to enable DDDS to monitor trends and changes and to complete a time study as specified by the State."

The quality of and service recipient and family member satisfaction with case management services available to individuals with IDD have been a persistent issue in Delaware. Data from the Human Services Research Institute ("HRSI") and the National Association of State Directors of Developmental Disabilities Services ("NASDDDS") National Core Indicators Survey has shown Delaware rating significantly below average in many categories (and in some categories the lowest among states surveyed) with respect to various aspects of case management and the communication of information about available services and supports for individuals with IDD living in their family home (see, e.g., National Core Indicators Adult Family Survey, 2019-2020 Final Report, *available at* https://www.nationalcoreindicators.org/upload/core-indicators/2019-20_AFS_National_Report_4_5.pdf). As provider recruitment and retention is a

necessary component of ensuring the availability and quality of these services, and the proposed change in reimbursement methodology should not change what services would be offered to individuals and their families through TCM, SCPD endorses the proposed changes.

Thank you for your consideration and please contact SCPD if you have any questions regarding our observations or position on the proposed regulation.

cc: Mr. Stephen Groff, DMMA
Ms. Lisa Zimmerman, DMMA
Ms. Marissa Catalon
Ms. Laura Waterland, Esq.
Governor's Advisory Council for Exceptional Citizens
Developmental Disabilities Council

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