

Commonwealth of Massachusetts

Executive Office of Health and
Human Services



Chapter 257 of the Acts of 2008

Provider Information and Dialogue Session:
Adult Individual Housing Supports

March 25, 2013

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Agenda



Chapter 257 of the Acts of 2008

Overview of Adult Individual Housing Supports

- Definition and Overview of Programs
- Procurement Approach

Review of Pricing Analysis and Methodologies

- Outreach & Engagement Services
- Stabilization Services
 - Safe Havens (Federal and DMH)
 - Shelters
- Supported Housing Services
 - Permanent Housing
 - ATARP

Timeline and Key Milestones



Chapter 257 of the Acts of 2008 Regulates Pricing for the POS System



- Chapter 257 places authority for determination of Purchase of Service reimbursement rates with the Secretary Of Health and Human Services under MGL 118G. The Division of Health Care Finance and Policy provides staffing and support for the development of Chapter 257 pricing.
- Chapter 257 requires that the following criteria be considered when setting and reviewing human service reimbursement rates:
 - Reasonable costs incurred by efficiently and economically operated providers
 - Reasonable costs to providers of any existing or new governmental mandate
 - Changes in costs associated with the delivery of services (e.g. inflation)
 - Substantial geographical differences in the costs of service delivery
- Many current rates within the POS system may not reflect consideration of these factors.
- Chapter 9 of the Acts of 2011 establishes new deadlines for implementing POS rate regulation as well as requires that related procurements not go forward until after the rate setting process is completed.

	Jan 2012	Jan 2013	Jan 2014
Statutory Requirement: Percent of POS System with Regulated Rates	40%	30%	30%
Spending Base Associated with Statutory Percentage (based on current projection of \$2.278B POS Baseline to be implemented)	~ \$880M	~ \$660M	~ \$660M



The Cost Analysis and Rate Setting Effort has Several Objectives and Challenges



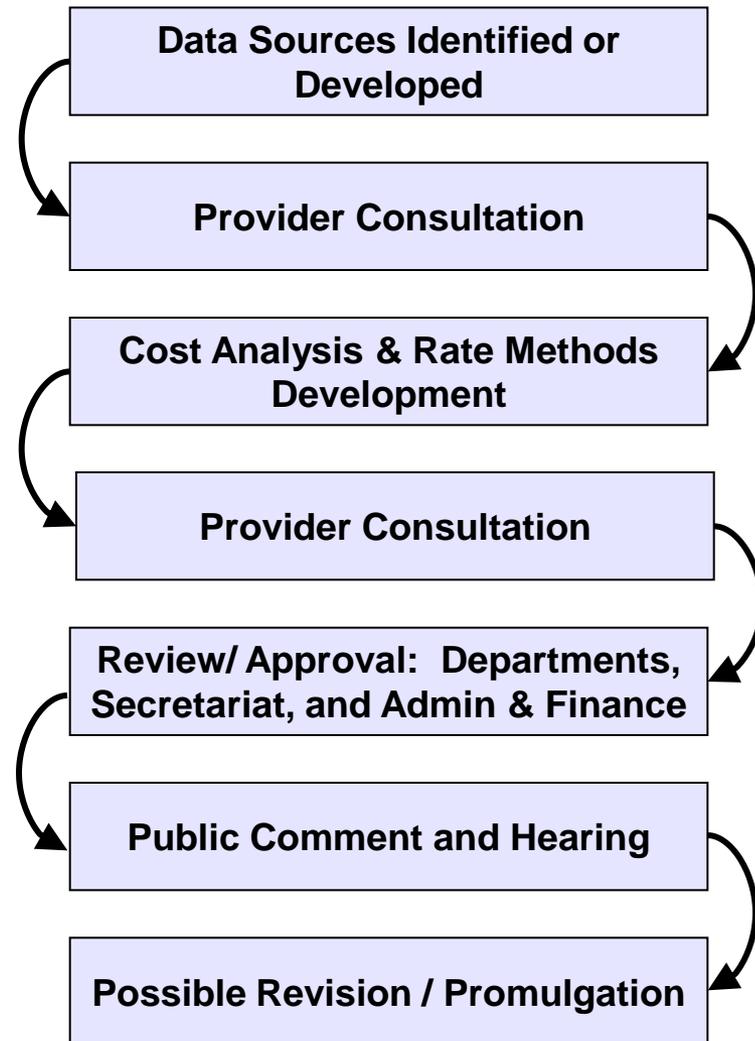
Objectives and Benefits

- Development of uniform analysis for standard pricing of common services
- Rate setting under Chapter 257 will enable:
 - A. Predictable, reimbursement models that reduce unexplainable variation in rates among comparable, economically operated providers
 - B. Incorporation of inflation adjusted prospective pricing methodologies
 - C. Standard and regulated approach to assessing the impact of new service requirements into reimbursement rates
- Transition from “cost reimbursement” to “unit rate”

Challenges

- Ambitious implementation timeline
- Data availability and integrity (complete/correct)
- Unexplained historical variation in reimbursement rates resulting from long-term contracts and individual negotiations between purchasers and providers
- Constrained financial resources for implementation, especially where pricing analysis warrants overall increases in reimbursement rates
- Cross system collaboration and communication
- Coordination of procurement with rate development activities

Pricing Analysis, Rate Development, Approval, and Hearing Process





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Adult Individual Housing Supports Service Class



Service Class Definition: Programs that provide homeless individuals a place of overnight housing with varied supports to promote health, safety, community integration, employment, and self-sufficiency.

Service Class	Agency	Activity Code	Program Name	Total Projected Program Spending ~
Adult Individual Housing Support	DMH	3039	HOMELESS SUPPORT SERVICES	~\$7.5M

Services Encompass the full spectrum of homelessness supports at DMH including:

- Outreach & Engagement
- Stabilization Housing
 - Safe Havens
 - Shelters
- Supported Housing
 - Permanent Housing
 - Aggressive Treatment & Relapse Prevention Programs (ATARP)



Adult Individual Housing Supports Procurement Plan



- DMH will issue an RFR to procure for Adult Housing Supports following adoption of the Chapter 257 rates
- DMH, EOHHS and the Department of Housing and Community Development (DHCD) are collaborating to determine the most efficient and appropriate procurement approach
 - Master Service Agreement
 - Competitive Bid
- DMH is looking to continue valuable vendor relationships to maximize the effectiveness and 'reach' of their services to persistently homeless individuals.



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Adult Individual Housing Supports: Outreach & Engagement



Outreach & Engagement Model

(300 client model; an accommodations type)

	<u>FTE</u>	<u>% of Total Cost</u>
Management:		
Program Director (as LICSW)	.5	10%
Direct Care:		
Case manager, non-masters	2.0	26%
<u>Direct Care III</u>	<u>1.0</u>	<u>16%</u>
<u>Total staffing</u>	<u>3.5</u>	<u>53%</u>
<u>Tax & Fringe</u>		<u>13%</u>
<u>Total Compensation</u>		<u>66%</u>
Psychiatry consult		4%
Occupancy		6%
Staff mileage		1%
Client personal allowances		9%
Program supplies		3%
<u>Total excluding A&G:</u>		<u>89%</u>
Admin & Gen allocation		11%
Total Program Expense:		100%
Cost adjustment factor: xxxx%		

This is a sample model for initial discussions

- DMH provides homelessness outreach to over 3,000 difficult to engage homeless individuals each year.
- Outreach & Engagement Service Components include:
 - Assessment and Screening
 - Crisis Intervention
 - I & R to other DMH services
 - Service Coordination
 - Training and support to other housing staff
 - Data Collection & processing



Adult Individual Housing Supports: Stabilization Services (Safe Haven)



- DMH funds stabilization services for up to 25 homeless individuals with serious and persistent mental illness.
- Stabilization Services components include:
 - 24/7 staffing and meals
 - Reserved beds for the designated residents
 - Intensive staff-to-client ratios
 - Assistance with benefits, housing applications and integration with community services
 - Crisis intervention and engagement
 - Social and recreational support
 - Low barrier, low-demand housing and customized services



Adult Individual Housing Supports: Stabilization Services (Safe Haven)



Safe Haven (less intensive)

12 bed basis/unit rate

	FTE	% of Total Cost
Management:		
Program Director	.50	6.0%
Direct Care Staffing:		
(LCSW) casework masters	.25	3.0%
DC Supervisory	.75	6.0%
Direct Care II	6.00	46.0%
Relief staff	.10	1.0%
Total Staffing:	7.60	61.0%
Tax & fringe		15.0%
Total Compensation:		75.0%
Occupancy		7.0%
Staff mileage		.5%
Meals		8.0%
Program supplies & materials		1.0%
Program support		3.0%
Total Costs excluding A&G:		95.0%
Admin & Gen. allocation		5.0%
Total Program Expense		100.0%
Cost Adjustment factor: xxx%		
Unit rate:		TBD

Safe Haven (more intensive)

12 bed basis/unit rate

	FTE	% of Total Cost
Management:		
Program Director	.75	6.0%
Medical:		
RN	.02	.2%
Direct Care Staffing:		
(LCSW) casework masters	.50	4.0%
DC Supervisory	1.00	5.0%
Direct Care III	.50	3.0%
Direct Care II	8.00	44.0%
Relief staff	.10	.4%
Total Staffing:	10.87	63.0%
Tax & fringe		16.0%
Total Compensation:		79.0%
Occupancy		8.0%
Staff mileage		.5%
Meals		5.0%
Program supplies & materials		.1%
Program support		2.0%
Total Costs excluding A&G:		95.0%
Admin & Gen. allocation		5.0%
Total Program Expense		100.0%
Cost Adjustment factor: xxx%		
Unit rate:		TBD

These are two sample models for initial discussions



Adult Individual Housing Supports: Stabilization Housing (Shelters)



Shelter Model

20 bed. Unit rate basis

	FTE	% of Total Cost
Management:		
Program Director	2.56	17.0%
RN	1.40	11.0%
Direct Care:		
Direct Care II	7.60	32.0%
Program support	.08	.3%
Relief staffing	1.30	5.0%
<u>Total staffing</u>	<u>12.94</u>	<u>65.0%</u>
<u>Tax & Fringe</u>		<u>16.0%</u>
<u>Total Compensation</u>		<u>81.0%</u>
Occupancy		.1%
Staff training		.1%
Staff mileage		.1%
Meals		5.0%
Incidental medical		.1%
Program supplies		2.0%
Program support		.2%
<u>Total Costs excluding A&G</u>		<u>89.0%</u>
Admin & Gen. allocation		11.0%
<u>Total Program Expense</u>		<u>100.0%</u>
Cost adjustment factor:	xxx%	
Unit rate (per client/day)		TBD

This is a sample model for initial discussions

- DMH purchases 19 shelter beds for homeless individuals.
- Shelter services include:
 - Nightly shelter
 - 2-3 meals daily
 - Assistance with ADLs
 - Medication Assistance Program (MAP)
 - Assessment
 - Crisis intervention
 - Service coordination



Adult Individual Housing Supports: Supported Housing



- Discussion regarding permanent housing
- Plans for ATARP





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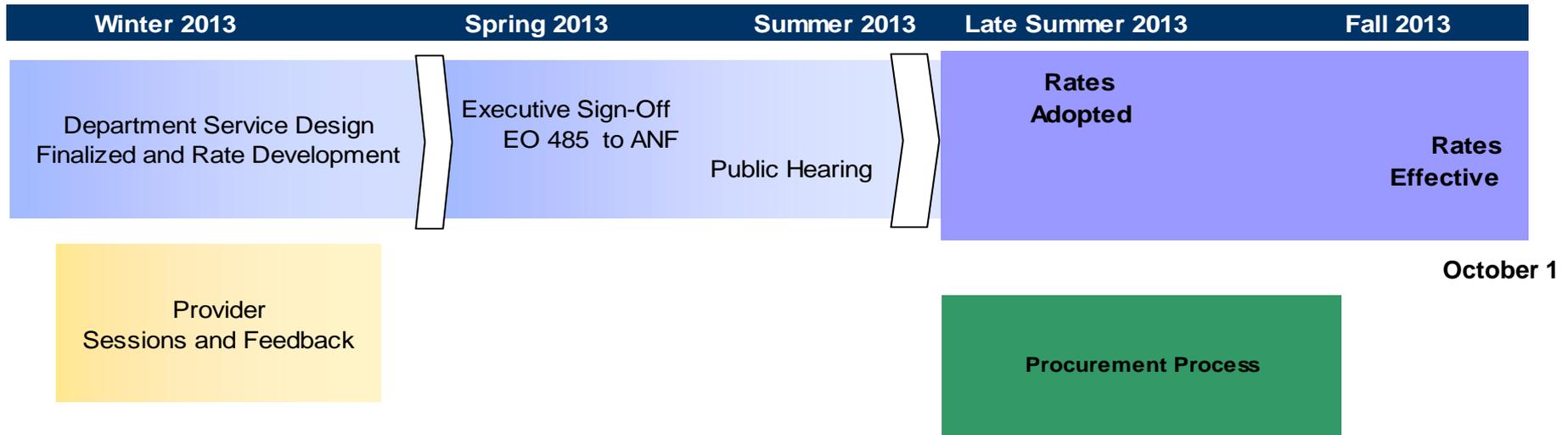
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Timeline and Key Milestones



Updated Implementation Timeline and Key Milestones for Adult Individual Housing Supports



- Department Service Design Finalized: All service components, staffing ratios, staff qualifications, other program inputs have been decided by the purchasing department.
- Provider Sessions: For each rate setting project, EOHHS conducts an average of 2-3 provider input sessions prior to Executive Sign-Off and the Public Hearing Process to allow for greater depth in understanding core program components, cost drivers, and procurement considerations.
- Executive Sign-Off: Commissioner and C257 Executive Committee sign-off on draft rates and implementation plan.
- EO485 Submitted to ANF: Draft rate regulation to ANF; Will better align the rate regulation proposal with budget planning.
- Public Hearing: DHCFP and purchasing departments consider testimony in advance of rate adoption.
- Procurement Process: The procurement will be issued after the rates have been adopted.
- Rates Effective: Where possible, reimbursement under regulated rates will align with beginning of SFY 15 to minimize mid-year contract amendments for both purchasing Departments and providers.



Questions/Feedback



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