

Schedule 13

Funding Request for the FY 2018-19 Budget Cycle

Department of Health Care Policy and Financing

Request Title R-19 IDD Waiver Consolidation Administrative Funding

Dept. Approval By:  11/1/17 **Supplemental FY 2017-18**
 Change Request FY 2018-19
 OSPB Approval By:  **Budget Amendment FY 2018-19**

| Summary Information | Fund | FY 2017-18 | | FY 2018-19 | FY 2019-20 | |
|---|------|-----------------------|----------------------|---------------------|------------------|------------------|
| | | Initial Appropriation | Supplemental Request | Base Request | Change Request | Continuation |
| Total | | \$9,412,649 | \$0 | \$14,534,207 | \$478,500 | \$177,000 |
| FTE | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total of All Line Items Impacted by Change Request | GF | \$3,005,615 | \$0 | \$5,621,706 | \$239,250 | \$88,500 |
| | CF | \$1,600,352 | \$0 | \$1,545,040 | \$0 | \$0 |
| | RF | \$150,000 | \$0 | \$150,000 | \$0 | \$0 |
| | FF | \$4,656,682 | \$0 | \$7,217,461 | \$239,250 | \$88,500 |

| Line Item Information | Fund | FY 2017-18 | | FY 2018-19 | FY 2019-20 | |
|---|------|-----------------------|----------------------|---------------------|------------------|------------------|
| | | Initial Appropriation | Supplemental Request | Base Request | Change Request | Continuation |
| Total | | \$9,412,649 | \$0 | \$14,534,207 | \$478,500 | \$177,000 |
| FTE | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 01. Executive Director's Office, (A) General Administration -- General Professional Services and Special Projects | GF | \$3,005,615 | \$0 | \$5,621,706 | \$239,250 | \$88,500 |
| | CF | \$1,600,352 | \$0 | \$1,545,040 | \$0 | \$0 |
| | RF | \$150,000 | \$0 | \$150,000 | \$0 | \$0 |
| | FF | \$4,656,682 | \$0 | \$7,217,461 | \$239,250 | \$88,500 |

| | | | |
|---|--|--|---|
| CF Letternote Text Revision Required? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | If Yes, see schedule 4 fund source detail. |
| RF Letternote Text Revision Required? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | |
| FF Letternote Text Revision Required? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | |
| Requires Legislation? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | |
| Type of Request? | Department of Health Care Policy and Financing Prioritized Request | | |
| Interagency Approval or Related Schedule 13s: | None | | |



Cost and FTE

- The Department requests \$478,500 total funds, including \$239,250 General Fund in FY 2018-19 and \$177,000 total funds, including \$88,500 General Fund in FY 2019-20 for administrative resources needed to consolidate the Home and Community Based Services (HCBS) adult waivers for persons with Intellectual and Developmental Disabilities (IDD).

Current Program

- HB 15-1318 “Consolidate Intellectual and Developmental Disabilities Waivers” directed the Department to establish a redesigned waiver for persons with Intellectual and Developmental Disabilities effective July 1, 2016 or as soon as the Centers for Medicare and Medicaid Services (CMS) approves it.
- The Department received 3.0 FTE, along with funding for contractors and system changes to implement the bill.

Problem or Opportunity

- The Department was unable to implement the bill by July 1, 2016 due to obstacles that were discovered through the stakeholder process and additional research identified through contractor work that require resources and time to resolve.

Consequences of Problem

- Without funding to contract out the additional work needed, the Department would have to further extend the waiver submission date to CMS.
- Additionally, further delays mean that vulnerable clients in the Home and Community Based Services-Developmentally Disabled (HCBS-DD) and Home and Community Based Services-Supported Living Services (HCBS-SLS) waivers would have to wait longer to access additional services or service delivery modalities that would be made available through the redesigned waiver.

Proposed Solution

- The Department requests two years of contractor funding for stakeholder engagement, data analysis, CMS waiver application design and submission, and assistance with the design, development and implementation of a transition plan of the waiver, in order to continue to implement the requirements of HB 15-1318.



COLORADO
Department of Health Care
Policy & Financing

FY 2018-19 Funding Request | November 1, 2017

John W. Hickenlooper
Governor

Susan E. Birch
Executive Director

Department Priority: R-19

Request Detail: IDD Waiver Consolidation Administrative Funding

| Summary of Incremental Funding Change for FY 2018-19 | Total Funds | General Fund |
|---|-------------|--------------|
| IDD Waiver Consolidation Administrative Funding | \$478,500 | \$239,250 |

Problem or Opportunity:

The Department is currently in the process of preparing to submit the Home and Community Based Services (HCBS) Consolidated Waiver amendment for Adults with Intellectual and Developmental Disabilities (IDD) to the Centers for Medicare and Medicaid Services (CMS) as required by HB 15-1318 “Consolidate Intellectual And Developmental Disabilities Waivers;” however, the Department has identified additional work needed to develop the redesigned waiver and required waiver application in a timely and thoughtful manner. The Department does not have any appropriations for this purpose in FY 2017-18 or FY 2018-19. The implementation of a consolidated waiver would impact over 10,000 clients with complex needs and the Department believes a thoughtful implementation of the consolidation is crucial to ensure clients continue to receive the care they need.

The General Assembly appropriated the Department \$2,176,695 total funds and 3.0 FTE in FY 2015-16, with roll forward authority into FY 2016-17, for the consolidated waiver implementation process through HB 15-1318. This funding was appropriated to analyze the breadth of fiscal, operational, and programmatic impacts of a redesigned waiver and for FTE to monitor this work, guide facilitation with stakeholders and to move towards the goal of implementing the consolidated waiver by July 1, 2016. The Department was unable to meet this deadline. HB 15-1318 took effect August 5, 2015 which allowed for nine months to hire the FTE, conduct stakeholder outreach, draft the waiver, and obtain CMS approval. Historically, the Department has needed one year for stakeholder vetting and one year for CMS waiver application submission and approval as there are generally a number of questions and responses required to obtain federal approval.

Though not able to meet the timeline from the bill, the Department was able to make significant progress towards waiver development by utilizing appropriated resources towards;

- Hiring FTE to develop and manage a project plan for implementing the bill, working with stakeholders, managing contracts, etc.
- Establishing the Waiver Implementation Council (the Council) to advise on the design and implementation of the redesigned waiver.

- Conducting quarterly meetings with the Council.
- Developing drafts of the redesigned waiver’s 12 service definitions, all of which have been reviewed by the Council.
- Performing impact analyses of the proposed waiver, including work toward developing quality measures, provider qualifications, streamlining provider monitoring processes, service utilization forecasts, norm-referenced service limits, and new data for determining rates.

Through this work a number of additional issues and considerations that require further analysis and stakeholder vetting were brought to light. For example, the Department hired a contractor to model different options on how the Residential Habilitation service could be implemented in a combined waiver. The contractor was able to provide some estimates but was not able to do a complete analysis as the Department was unable to provide information on how the Support Level in the HCBS-DD waiver and HCBS-SLS waiver would convert to the combined waiver within the timeframe the contractor funding was available. As a result the Department was not able to receive the full analysis needed to make a decision on how to include the service in the combined waiver. The development of the Support Levels is crucial to estimating the utilization impact of the Residential Habilitation and other services and would require the help of a new contractor to develop before further analysis can be done. While the Department does have FTE assigned to waiver consolidation, they do not have the expertise to conduct the in-depth analysis required. As such, contractors would be needed to assist the Department in aligning Support Levels and Service Plan Authorization Limits as well as estimating the cost of the consolidated waiver once policy decisions on the design of the waiver are complete.

Additionally, through stakeholder engagement and contractor work the Department has identified the need for training, developing, planning, and implementing a transition plan for gradually enrolling individuals into the redesigned waiver to help ensure the waiver redesign is performed efficiently.

Finally, as the Department and contractors continue to design and develop the consolidated waiver, stakeholder engagement and input is essential to ensure the waiver would continue to meet the needs of the clients impacted by the consolidation.

Proposed Solution:

The Department requests \$478,500 total funds, including \$239,250 General Fund in FY 2018-19 and \$177,000 total funds, including \$88,500 General Fund in FY 2019-20 to hire contractors to continue work related to redesigning the HCBS-DD and HCBS-SLS waivers and submit the waiver application to CMS for review by July 2019. The funding requested would be used to hire a contractor to assist with the additional work needed to complete the waiver redesign process, including: assisting the Department in aligning Support Levels and Service Plan Authorization Limits and estimating the cost of the consolidated waiver; training, developing, planning, and implementing a transition plan for gradually enrolling individuals into the redesigned waiver; collecting stakeholder engagement and input; and performing other activities needed to address the issues and considerations discovered through recent work.

The Department would utilize funding to hire contractors to assist in performing a variety of activities needed to consolidate the HCBS-DD and HCBS-SLS waivers. The first activity the contractors would assist the

Department with is building upon existing data analytics work including analyzing results from the work already completed through FY 2017-18 to then aligning Support Levels and Service Plan Authorization Limits in the redesigned HCBS waiver program as well as estimating the cost of the consolidated waiver once policy decisions on the design of the waiver were completed. This funding would also be used to study the utilization and potential limitations of Residential Habilitation.

Additionally, the Department would use funding for training, developing, planning and implementing a transition plan for gradually enrolling individuals in the redesigned waiver to help ensure the waiver redesign was performed efficiently. Training and development would consist of updating, matching, and coordinating the training content being written for the new combined waiver with what is written in the waiver sections of the CMS application. The contractor would also help to implement a transition plan to begin gradually enrolling individuals into the redesigned waiver. A gradual transition would be necessary to ensure that issues identified during the transition could be addressed and resolved before full implementation. This would ensure that clients are not adversely impacted and that the Department could carefully manage costs.

The Department would also use funding to perform statewide stakeholder engagement. The Department would hire a contractor to perform neutral third-party facilitation for ongoing stakeholder engagement work and input in the waiver redesign process as well as for an online stakeholder forum to allow for greater access and transparency to the process. The contractor would engage stakeholders statewide in order to gauge and monitor feedback on waiver redesign and ensure that stakeholders' feedback was utilized to address any concerns that arose in the waiver redesign process. Hiring a third-party to complete this work would allow the Department to provide programmatic expertise and fully participate in the design and development of the new waiver without also serving as the facilitator.

The final piece of these contracts would consist of ad hoc analysis. This ad hoc analysis would consist of many different activities, such as drafting content, dependent on the need arising.

If this request is not approved, the Department would be unable to consolidate the HCBS-DD and HCBS-SLS waivers due to the current lack of specific actuarial credentials and experience needed to complete the analysis required to implement a combined waiver. As a result the Department would be unable to complete the additional work needed to submit the redesigned waiver to CMS by June 30, 2019.

Anticipated Outcomes:

Approving this request would ensure that the Department has funding to continue the process to redesign the HCBS-DD and HCBS-SLS waiver programs. Additional funding would ensure that the Department does not have to further delay the waiver being submitted to CMS. This in turn would allow clients currently receiving services in the HCBS-DD and HCBS-SLS waivers, and enrollees who will join in the future, to access any new services and additions or changes to the waiver once it is finalized and submitted. This request would also help the Department meet its performance plan goal to "Make Long-Term Services and Supports easier to access and navigate" by simplifying processes, expanding services, and reducing administrative burden for the individuals the Department serves. Thoughtful development of the training materials needed for case managers and other administrators would ensure successful and compliant service provision through the transition period of the waiver and beyond.

Assumptions and Calculations:

The Department assumes that current contracts in place for other work being done by the Department that is similar to this request that includes data analysis, facilitation, waiver redesign work, ad-hoc work, and stakeholder engagement are an accurate proxy for the hourly rate of the costs for the work that would need to be done to successfully redesign the new waiver. This is assumed because the work would be similar to what is already outlined in the current contracts. These rates are then multiplied by the estimated hours required to complete the activities outlined above to get the final cost of each activity. These figures and calculations can be seen in Appendix A.

The Department assumes the funding would be split into multiple vendor contracts and that the contract start date would be July 1, 2018. The Department assumes that existing staff would continue to manage the vendor contracts, including preparing and negotiating contract amendments, directing work, reviewing deliverables and participating in stakeholder engagement, and this would be absorbed within existing resources.

The Department estimated the number of hours required to complete the requested work by utilizing similar contracts or work completed by the Department. The stakeholder engagement contract is estimated to include 600 hours of work which would include activities such as preparing for and planning meetings, creating presentations, project planning, and managing and moderating an online stakeholder forum, among many other activities. The data and actuarial analysis contract is estimated to include 450 hours of work which would include developing unit limitations for services, regression analysis, analyzing waitlist data, and the review and synthesis of information and data from FY 2016-17 among other activities. Finally, the CMS waiver application and submission contract is estimated to include 1,150 hours of work and would include activities such as developing a risk plan, designing a transition plan, developing training, and ad-hoc work among other activities.

R-19 IDD Waiver Consolidation Administrative Resources
Appendix A: Calculations and Assumptions

| Table 1.1 FY 2018-19 Waiver Consolidation Summary by Line Item | | | | | | | | |
|--|---|------------------|------------|------------------|------------|----------------------|------------------|--------------------|
| Row | Item | Total Funds | FTE | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | Notes/Calculations |
| A | Total Request | \$478,500 | 0.0 | \$239,250 | \$0 | \$0 | \$239,250 | Row B |
| B | (1) Executive Director's Office, (A) General Administration, General Professional Services And Special Projects | \$478,500 | 0.0 | \$239,250 | \$0 | \$0 | \$239,250 | Table 2.1 Row A |

| Table 1.2 FY 2019-20 Waiver Consolidation Summary by Line Item | | | | | | | | |
|--|---|------------------|------------|-----------------|------------|----------------------|-----------------|--------------------|
| Row | Item | Total Funds | FTE | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | Notes/Calculations |
| A | Total Request | \$177,000 | 0.0 | \$88,500 | \$0 | \$0 | \$88,500 | Row B |
| B | (1) Executive Director's Office, (A) General Administration, General Professional Services And Special Projects | \$177,000 | 0.0 | \$88,500 | \$0 | \$0 | \$88,500 | Table 2.2 Row A |

| Table 1.3 FY 2020-21 Waiver Consolidation Summary by Line Item | | | | | | | | |
|--|---|-------------|------------|--------------|------------|----------------------|---------------|---|
| Row | Item | Total Funds | FTE | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | Notes/Calculations |
| A | Total Request | \$0 | 0.0 | \$0 | \$0 | \$0 | \$0 | Row B |
| B | (1) Executive Director's Office, (A) General Administration, General Professional Services And Special Projects | \$0 | 0.0 | \$0 | \$0 | \$0 | \$0 | Funding No Longer Needed After FY 2019-20 |

R-19 IDD Waiver Consolidation Administrative Resources
Appendix A: Calculations and Assumptions

| Table 2.1 Waiver Consolidation FY 2018-19 Summary by Initiative | | | | | | | | | |
|--|---|--------------------|------------|---------------------|-------------------|-----------------------------|----------------------|------------|---------------------------|
| Row | Item | Total Funds | FTE | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FFP | Notes/Calculations |
| A | Total Request | \$478,500 | 0.0 | \$239,250 | \$0 | \$0 | \$239,250 | 50% | Sum of Rows B to H |
| B | Stakeholder Engagement - Facilitation | \$88,500 | 0.0 | \$44,250 | \$0 | \$0 | \$44,250 | 50% | Table 3.1 Row A |
| C | Stakeholder Engagement - Online Forum Facilitation and Support | \$59,000 | 0.0 | \$29,500 | \$0 | \$0 | \$29,500 | 50% | Table 3.1 Row B |
| D | Stakeholder Engagement - Statewide Stakeholder Engagement | \$29,500 | 0.0 | \$14,750 | \$0 | \$0 | \$14,750 | 50% | Table 3.1 Row C |
| E | Data and Actuarial Analysis Contract - Support Level and Unit Limitation Analysis | \$97,500 | 0.0 | \$48,750 | \$0 | \$0 | \$48,750 | 50% | Table 3.1 Row D |
| F | Data and Actuarial Analysis Contract - Combination and Analysis of Prior Work | \$48,750 | 0.0 | \$24,375 | \$0 | \$0 | \$24,375 | 50% | Table 3.1 Row E |
| G | CMS Waiver Application and Submission - Training, Development, Planning Implementation of the Transition Plan | \$121,500 | 0.0 | \$60,750 | \$0 | \$0 | \$60,750 | 50% | Table 3.1 Row F |
| H | CMS Waiver Application and Submission - Ad Hoc Analysis | \$33,750 | 0.0 | \$16,875 | \$0 | \$0 | \$16,875 | 50% | Table 3.1 Row G |

| Table 2.2 Waiver Consolidation FY 2019-20 Summary by Initiative | | | | | | | | | |
|--|--|--------------------|------------|---------------------|-------------------|-----------------------------|----------------------|------------|---------------------------|
| Row | Item | Total Funds | FTE | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FFP | Notes/Calculations |
| A | Total Request | \$177,000 | 0.0 | \$88,500 | \$0 | \$0 | \$88,500 | 50% | Sum of Rows B to D |
| B | Stakeholder Engagement - Facilitation | \$88,500 | 0.0 | \$44,250 | \$0 | \$0 | \$44,250 | 50% | Table 3.2 Row A |
| C | Stakeholder Engagement - Online Forum Facilitation and Support | \$59,000 | 0.0 | \$29,500 | \$0 | \$0 | \$29,500 | 50% | Table 3.2 Row B |
| D | Stakeholder Engagement - Statewide Stakeholder Engagement | \$29,500 | 0.0 | \$14,750 | \$0 | \$0 | \$14,750 | 50% | Table 3.2 Row C |

R-19 IDD Waiver Consolidation Administrative Resources
Appendix A: Calculations and Assumptions

| Table 3.1 FY 2018-19 Waiver Consolidation Estimated Contract Costs | | | | | |
|---|---|--------------------|-------------------------------------|-----------------------|--|
| Row | Activity Name | Hourly Rate | Estimated Annual Units/Hours | Estimated Cost | Notes |
| A | Stakeholder Engagement - Facilitation | \$295.00 | 300 | \$88,500 | Hourly Rate Based on Current Contract, Hours Estimate from Department Staff Based on Expected Workload |
| B | Stakeholder Engagement - Online Forum Facilitation and Support | \$295.00 | 200 | \$59,000 | Hourly Rate Based on Current Contract, Hours Estimate from Department Staff Based on Expected Workload |
| C | Stakeholder Engagement - Statewide Stakeholder Engagement | \$295.00 | 100 | \$29,500 | Hourly Rate Based on Current Contract, Hours Estimate from Department Staff Based on Expected Workload |
| D | Data and Actuarial Analysis Contract - Support Level and Unit Limitation Analysis | \$325.00 | 300 | \$97,500 | Hourly Rate Based on Current Contract, Hours Estimate from Department Staff Based on Expected Workload |
| E | Data and Actuarial Analysis Contract - Combination and Analysis of Prior Work | \$325.00 | 150 | \$48,750 | Hourly Rate Based on Current Contract, Hours Estimate from Department Staff Based on Expected Workload |
| F | CMS Waiver Application and Submission - Training, Development, Planning Implementation of the Transition Plan | \$135.00 | 900 | \$121,500 | Hourly Rate Based on Current Contract, Hours Estimate from Department Staff Based on Expected Workload |
| G | CMS Waiver Application and Submission - Ad Hoc Analysis | \$135.00 | 250 | \$33,750 | Hourly Rate Based on Current Contract, Hours Estimate from Department Staff Based on Expected Workload |
| H | Total | N/A | 2,200 | \$478,500 | Sum Rows A - G |

| Table 3.2 FY 2019-20 Waiver Consolidation Estimated Contract Costs | | | | | |
|---|--|--------------------|-------------------------------------|-----------------------|--|
| Row | Activity Name | Hourly Rate | Estimated Annual Units/Hours | Estimated Cost | Notes |
| A | Stakeholder Engagement - Facilitation | \$295.00 | 300 | \$88,500 | Hourly Rate Based on Current Contract, Hours Estimate from Department Staff Based on Expected Workload |
| B | Stakeholder Engagement - Online Forum Facilitation and Support | \$295.00 | 200 | \$59,000 | Hourly Rate Based on Current Contract, Hours Estimate from Department Staff Based on Expected Workload |
| C | Stakeholder Engagement - Statewide Stakeholder Engagement | \$295.00 | 100 | \$29,500 | Hourly Rate Based on Current Contract, Hours Estimate from Department Staff Based on Expected Workload |
| D | Total | N/A | 600 | \$177,000 | Sum Rows A - C |