



agency for persons with disabilities
State of Florida

Cost-Containment Plan Status Update

**Health Care Appropriations
Subcommittee
November 15, 2011**

**Rick Scott
Governor**

**Michael P. Hansen
Director**



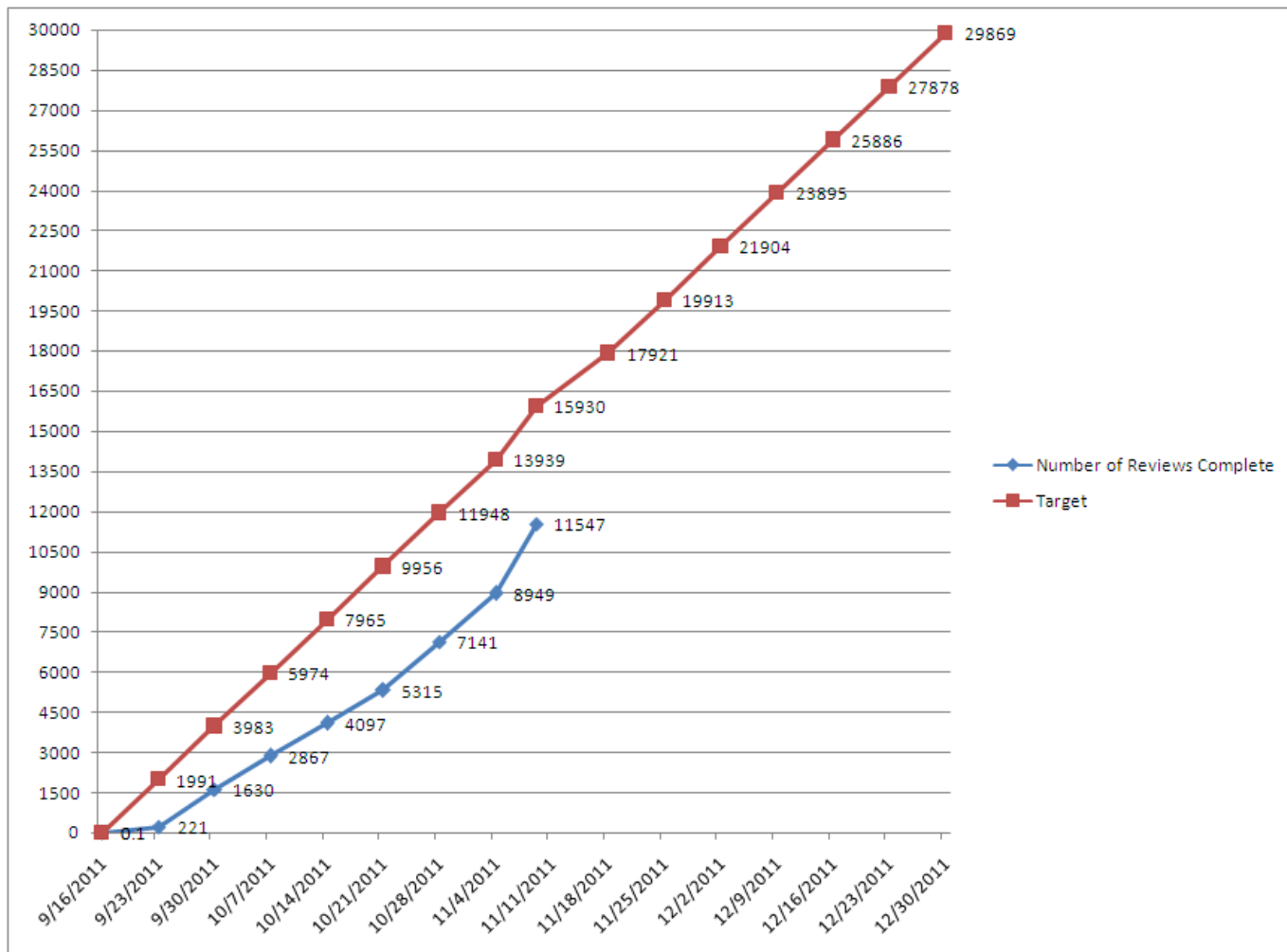
Monthly Surplus/Deficit Report

FY 2011-2012 APD Waiver Expenditures		GR Budget Forecast	GR Actual Expenditures	GR Budget Less GR Expenditures
1	Appropriation	\$ 357,690,175	\$ -	\$ -
2	July Expenditures	\$ 9,091,015	\$ 9,020,865	\$ 70,150
3	August Expenditures	\$ 29,575,695	\$ 37,177,077	\$ (7,601,382)
4	September Expenditures	\$ 27,504,076	\$ 27,697,467	\$ (193,391)
5	October Expenditures	\$ 29,804,624	\$ 31,364,765	\$ (1,560,141)
6	November Expenditures	\$ 28,991,745	\$ -	\$ -
7	December Expenditures	\$ 32,209,227	\$ -	\$ -
8	January Expenditures	\$ 27,928,155	\$ -	\$ -
9	February Expenditures	\$ 28,189,313	\$ -	\$ -
10	March Expenditures	\$ 29,005,217	\$ -	\$ -
11	April Expenditures	\$ 29,592,357	\$ -	\$ -
12	May Expenditures	\$ 28,407,418	\$ -	\$ -
13	June Expenditures	\$ 33,419,396	\$ -	\$ -
14	Certified Forward – July	\$ 21,036,621	\$ -	\$ -
15	Certified Forward – August	\$ 1,999,204	\$ -	\$ -
16	Certified Forward – September	\$ 936,111	\$ -	\$ -
17	Total FY 2011-2012 Actual Expenditures	\$ 357,690,175	\$ -	\$ (9,284,763)
18	FY 2010-2011 Carry Forward Balance	\$	\$ 10,515,592	\$ (10,515,592)
19	Two Year Accrued GR Deficit			\$ (19,800,355)
		Estimated GR Available by Month	AHCA Invoice Amount	



Summary of Cost Plan Review Initiative – 11/09/11

- **11,547 of 29,869 Cost Plan Reviews Completed (39%)**
- **\$10.7 M Fiscal Year Cost Savings Projected**
- **\$16.4 Annualized Cost Savings Projected**





Status Report on Next Steps

Cost-Containment Initiative	Progress	Projected Target Date	Projected Annual Savings
1. Implement cost sharing by the parents of children who are served on the waiver	<ul style="list-style-type: none">• Preliminary data collection and analysis of authority options underway	12/15/11 for initial estimates	TBD



Status Report on Next Steps *(continued)*

Cost-Containment Initiative	Progress	Projected Target Date	Projected Annual Savings
2. Standardize Residential Habilitation – Intensive Behavior rates	<ul style="list-style-type: none">• Daily rates established for Residential Habilitation and Behavior Analysis services• Six rates established to meet individual behavioral needs• Public meeting held November 4• Final rates in place by 1/1/12	12/31/11	\$1,549,764



Status Report on Next Steps *(continued)*

Cost-Containment Initiative	Progress	Projected Target Date	Projected Annual Savings
3.	Collect fees for Residential Habilitation settings	12/31/11	\$8,000,000 Preliminary Estimate
	<ul style="list-style-type: none">• Analysis completed• Plan developed for payment submission• Rule draft under development• Public meeting held November 4 for stakeholder input• Drafts and notice sent for OFARR preliminary review• Workload identified for revenue collection• Planned implementation on schedule		



Status Report on Next Steps *(continued)*

Cost-Containment Initiative	Progress	Projected Target Date	Projected Annual Savings
4. Reduce rates for therapy assessments and all nursing services to the Medicaid State Plan rate	<ul style="list-style-type: none">• Nursing services and therapy assessments have comparable MSP rates that are lower than current waiver rates• Rates will be revised to match MSP rates	3/31/12	\$1,268,174



Status Report on Next Steps *(continued)*

Cost-Containment Initiative	Progress	Projected Target Date	Projected Annual Savings
5. Set the agency rate premium to a maximum of 20% above solo rates	<ul style="list-style-type: none">• 15 out of 27 waiver services have both an agency and a solo rate• Agency rate differentials vary from 5.41% to 43.52%• Provider requirements standardized in waiver handbook	3/31/12	\$3,712,169



HARD CHOICES

	Description	Impact
Original	Methodology based on original iBudget Plan distribution through algorithm for all services including extraordinary needs for those who qualify	<ul style="list-style-type: none">• Based on current appropriation (\$810 M)• Consumers have flexibility to choose services within limits of their individual allocation• Reductions will be significant for some consumers



HARD CHOICES

	Description	Impact
Base Model	<p>This model compares the iBudget with the current cost plan and selects the result according to the following decision rules:</p> <ol style="list-style-type: none">1.If Cost Plan less than iBudget, select Cost Plan2.If iBudget less than Cost Plan, select iBudget except when iBudget less than half Cost Plan. Then select half Cost Plan.	<ul style="list-style-type: none">• Retains current cost plan for consumers whose needs are less than the iBudget• Total cost (\$725 M) is within appropriation with funds remaining for extraordinary needs and crisis situations• Many consumers would not have sufficient allocation to meet their core services needs

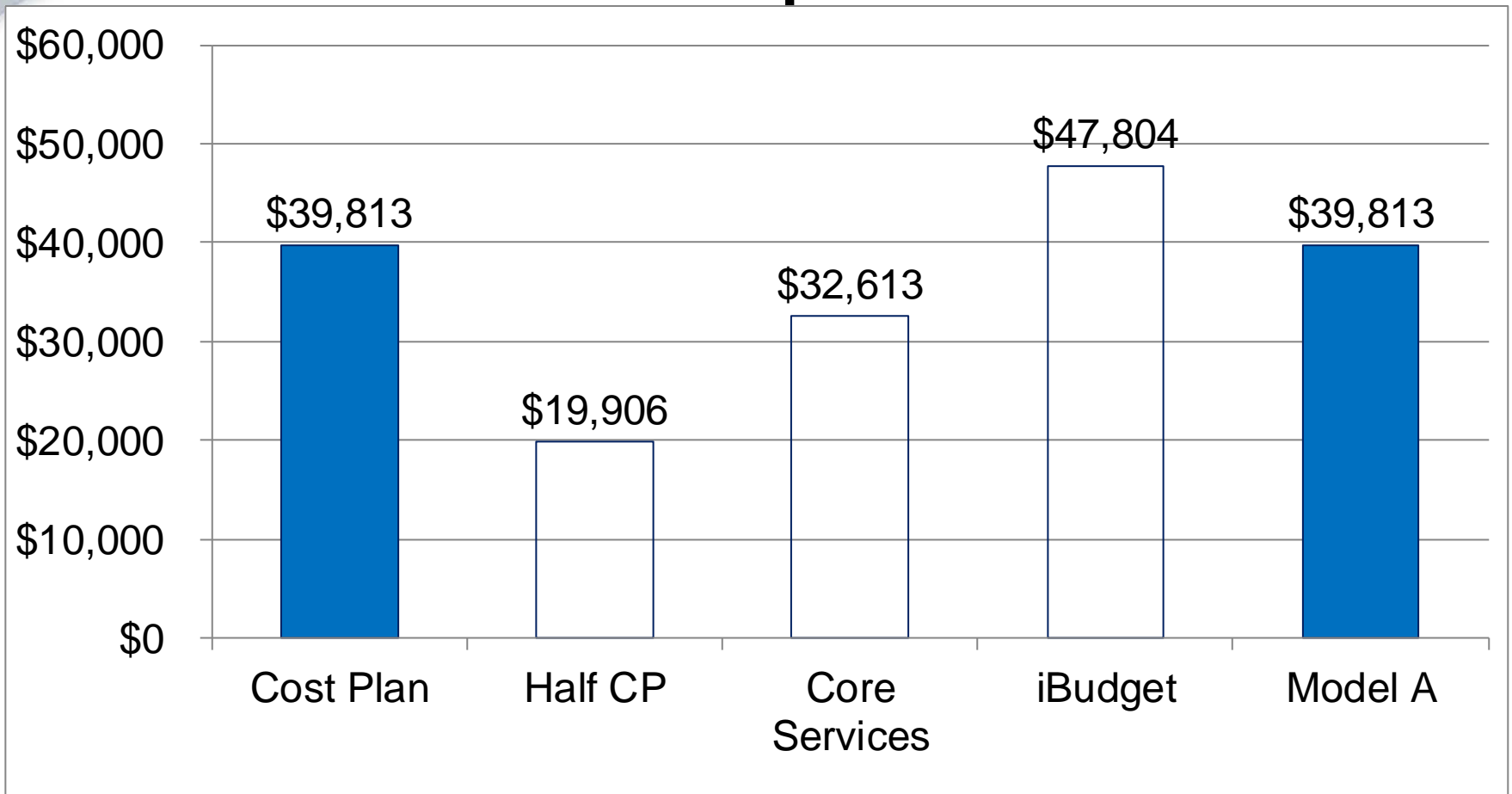


HARD CHOICES

	Description	Impact
Model A <i>Including core services</i>	This option would provide funding for core services for individuals whose allocations were insufficient to meet their core services	<ul style="list-style-type: none">• Adds \$144 M in cost• About 9,900 people are affected• Total allocation would exceed appropriation by about \$59 M• Some individuals receiving ADT would not have enough funding to continue ADT at the same level

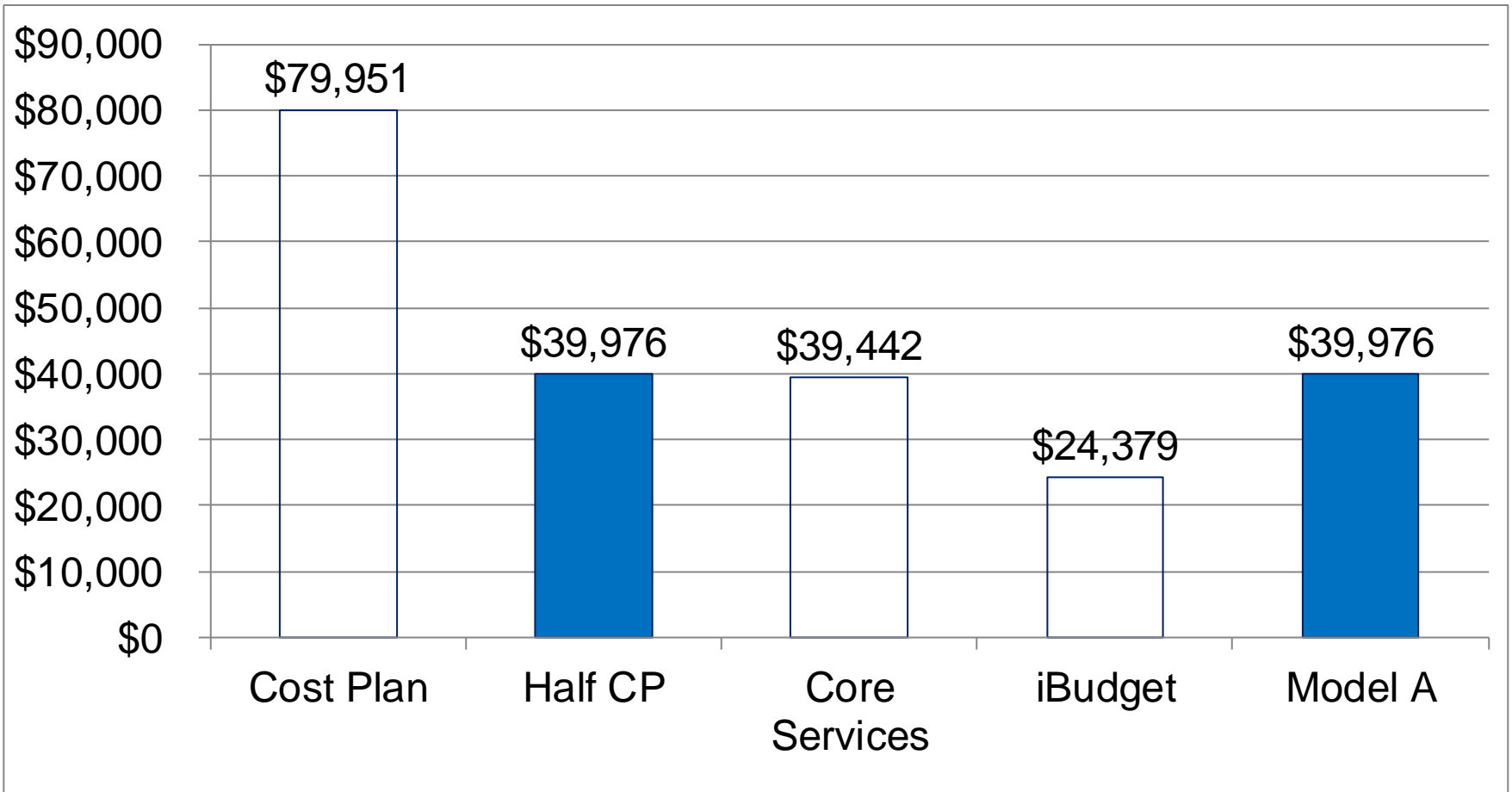


Example 1



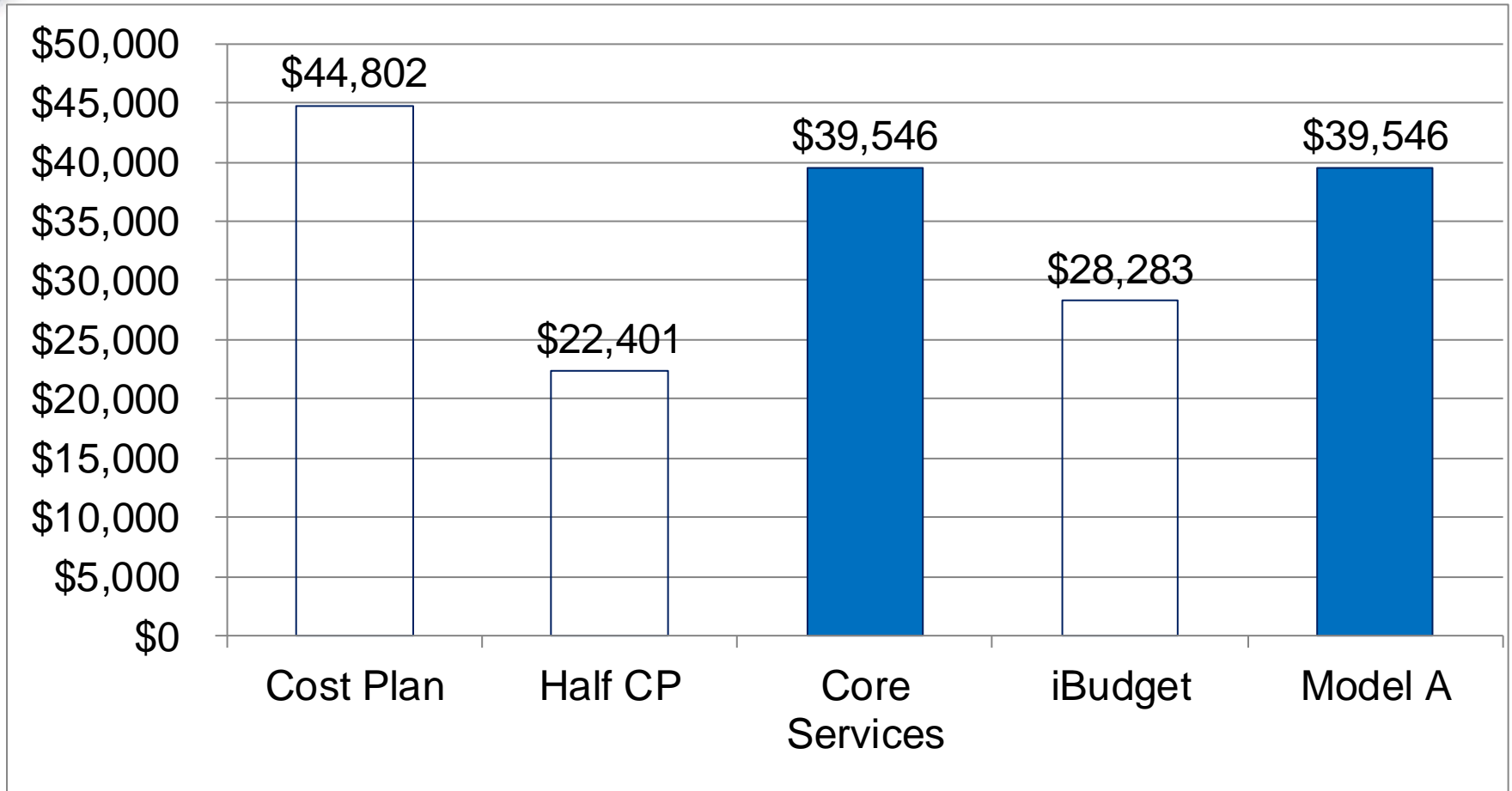


Example 2



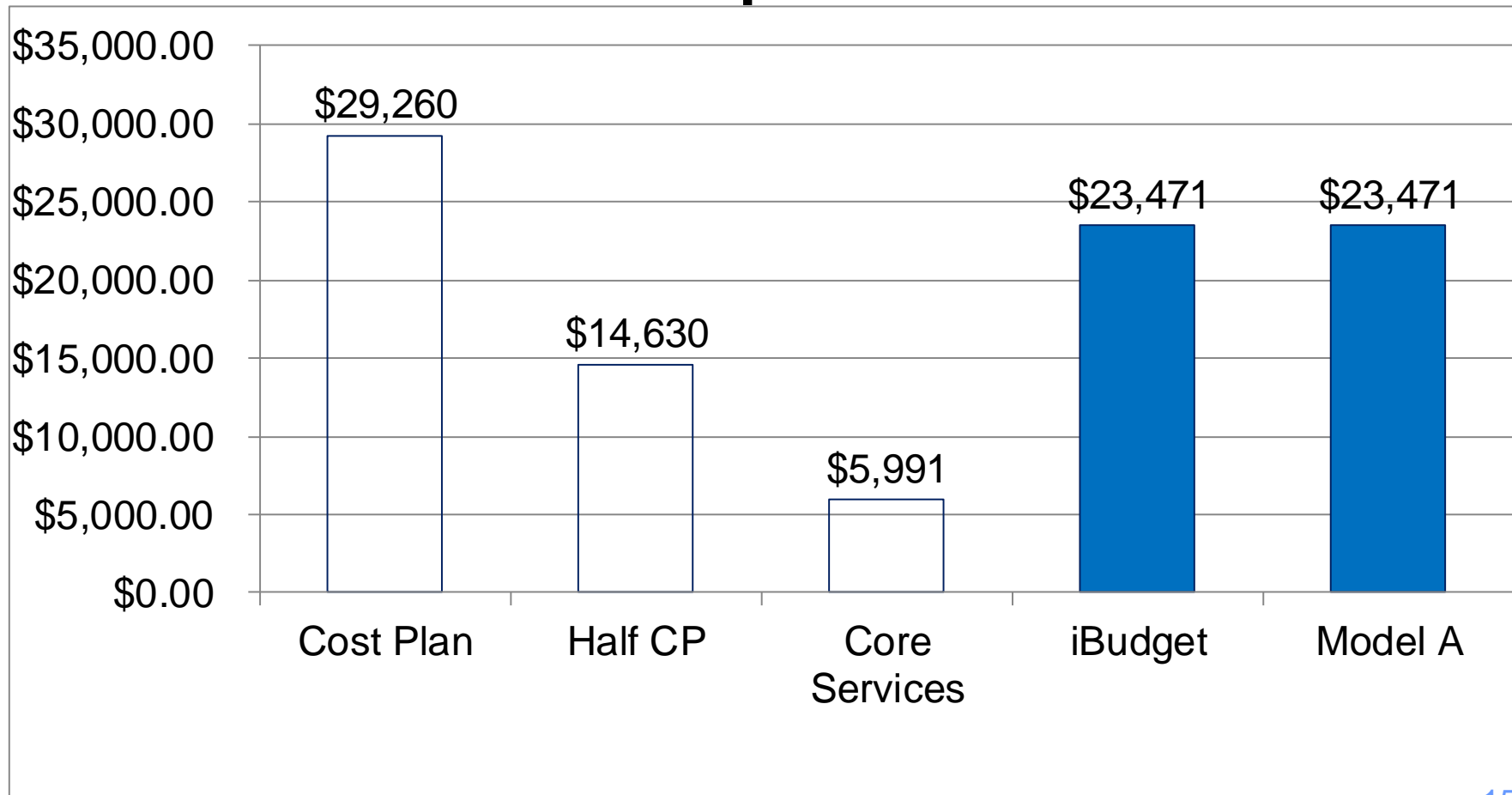


Example 3





Example 4



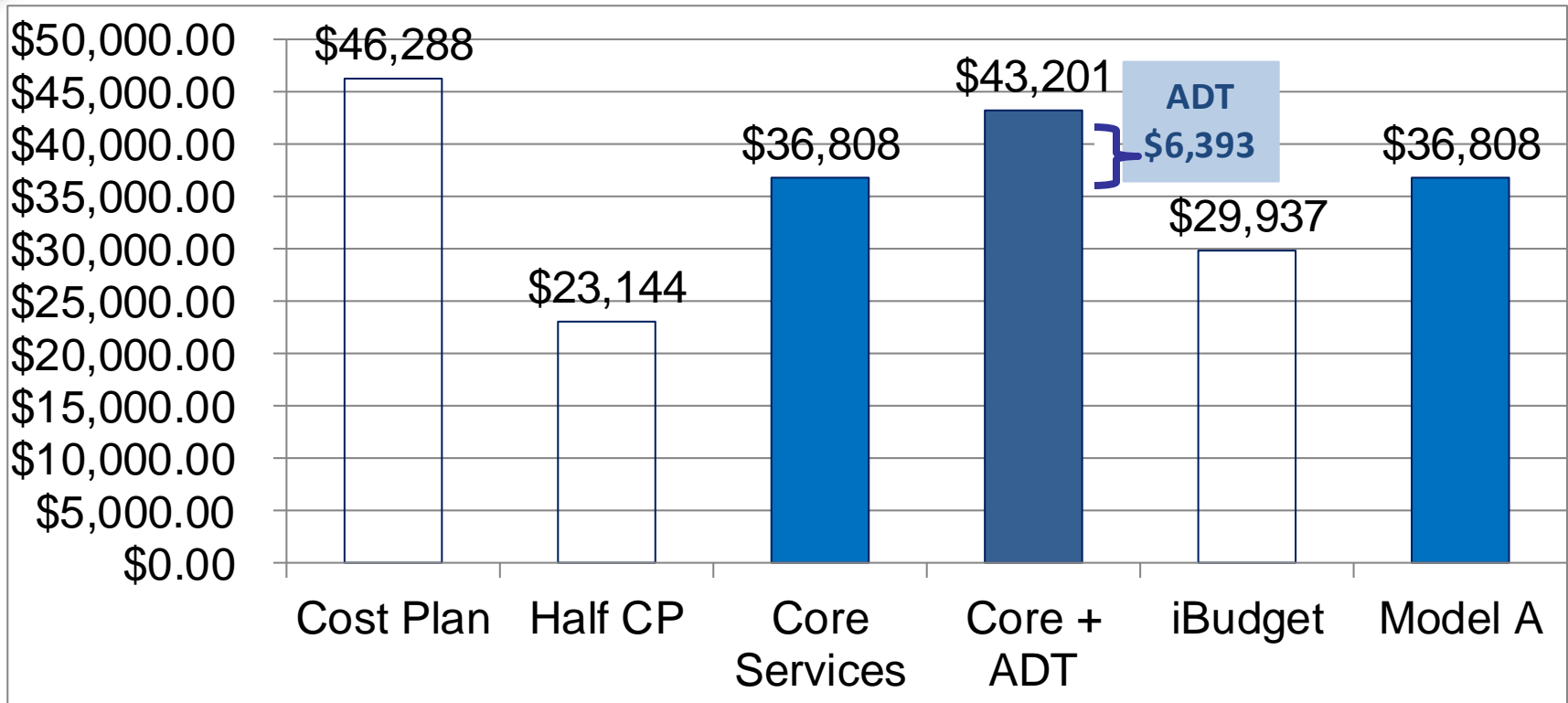


HARD CHOICES

	Description	Impact
<u>Model A <i>with Adult Day Training (ADT) Added</i></u>	This option would provide funding for ADT for consumers whose base allocation was insufficient to include ADT	<ul style="list-style-type: none">• Adds \$34.8 M in additional cost• About 5,300 people are affected• Total allocation including core and ADT services would be \$904 M



ADT Example





Authorized Non-Core and Core Services

Non-Core Services	Amount
Adult Day Training	\$84,667,539
Companion Services	\$41,473,432
Dental Services	\$3,598,353
Dietician Services	\$297,508
Environmental Adaptations	\$210,378
Psychological Services	\$3,025
Respite Care	\$22,160,859
Special Medical Home Care	\$2,081,789
Speech Therapy	\$5,061,633
Transportation	\$38,339,635
Portion of Personal Support (based on Companion and Respite)	\$5,992,966
SUBTOTAL - NON-CORE	\$203,887,116

Core Services	Amount
Behavior Services	\$51,826,726
Consumable Medical Supplies	\$15,706,045
Durable Medical Equipment	\$125,541
In-Home Supports	\$112,798,827
Nursing Services	\$26,276,542
Occupational Therapy	\$3,881,908
Personal Care Assistance	\$84,876,522
Physical Therapy	\$8,030,342
Residential Habilitation	\$375,049,588
Respiratory Therapy	\$624,467
Supported Employment	\$9,955,184
Supported Living Coaching	\$30,531,145
Waiver Support Coordination	\$41,862,739
Portion of Personal Support (based on In-Home Support and PCA)	\$10,794,055
SUBTOTAL - CORE	\$772,339,630