



**Office for People With
Developmental Disabilities**



**Department
of Health**

OPWDD

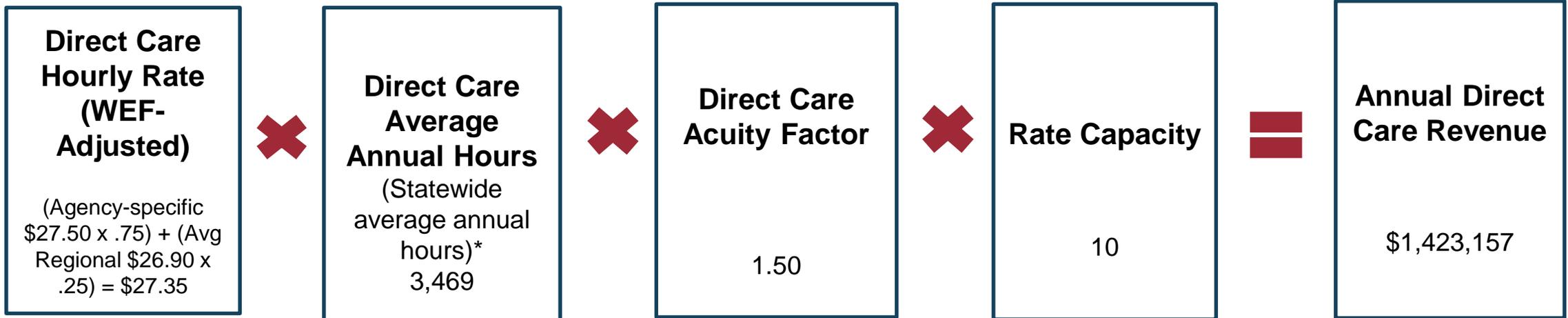
Rate Methodology - Acuity Review

AGENDA

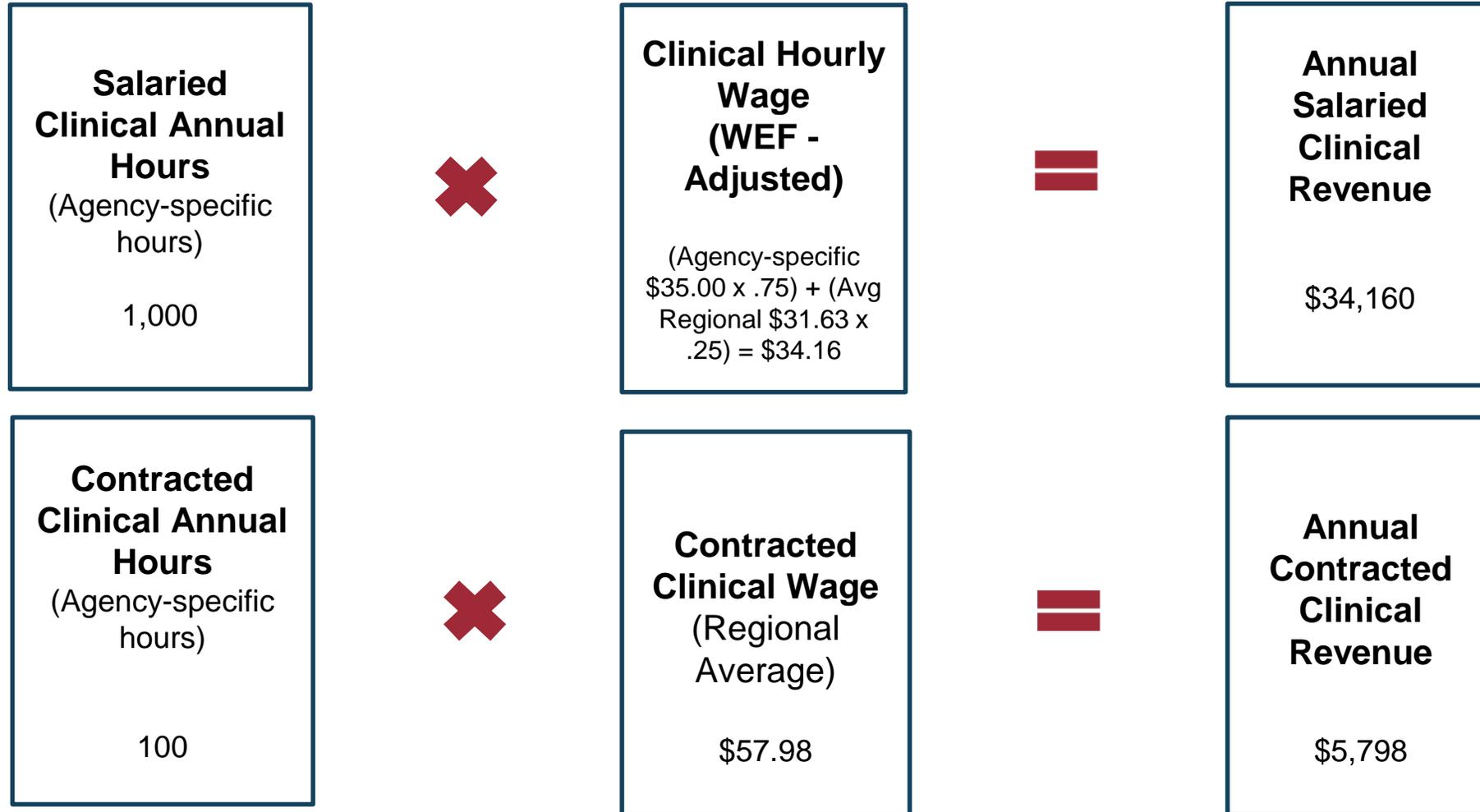
- Rate Methodology Overview
- Acuity Review

Methodology Overview

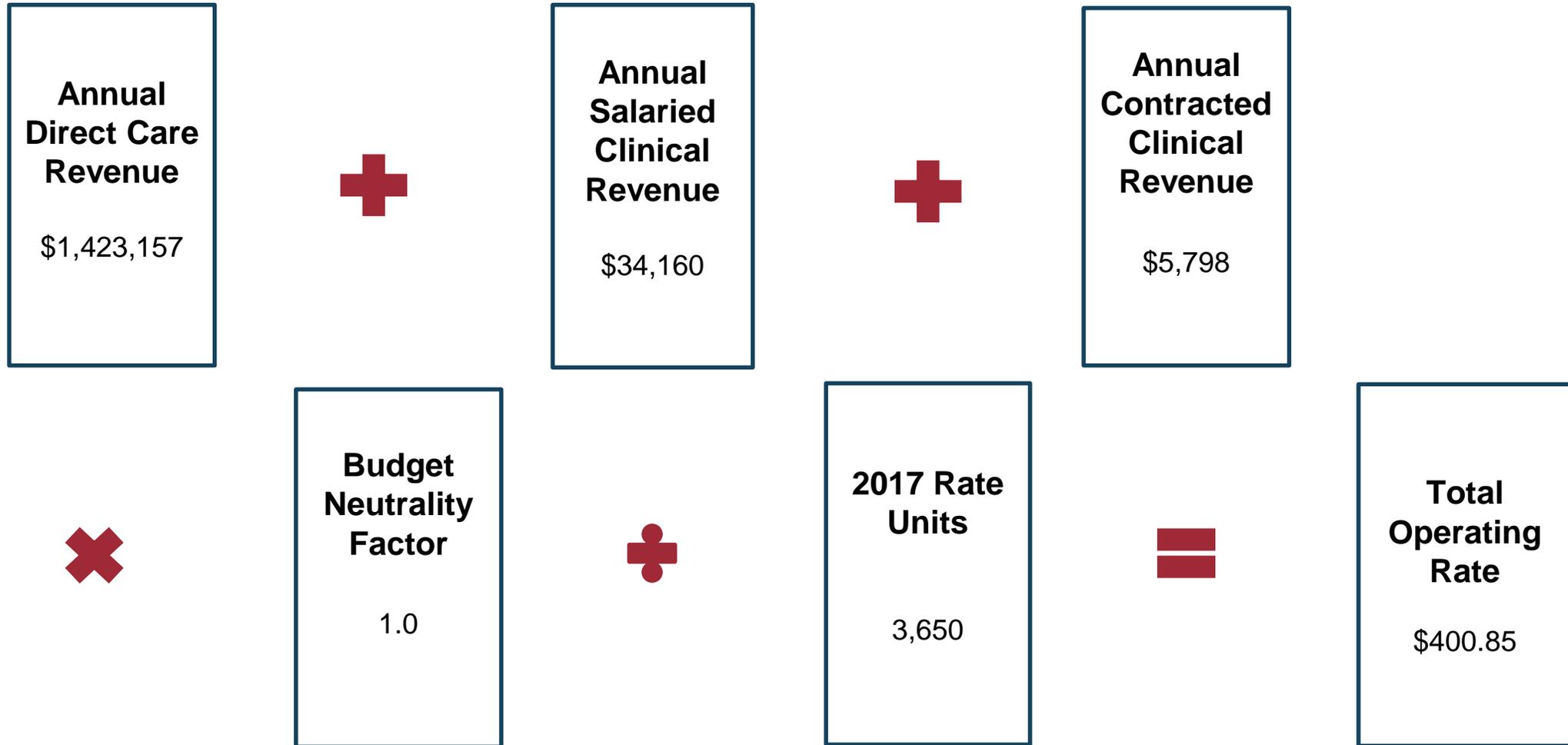
Methodology Recap – DC Component



Methodology Recap – Clinical Component



Methodology Recap – PS Component



Acuity Review



Acuity Adjustment Factors

- **Concept** - Create a Factor to Address Resource Utilization (Similar to Risk Adjustment in Traditional Rate Setting)
- **Goal** - Examine if a correlation exists among resource utilization and current assessment tool (DDP)
 - Historical DDP Information
 - Historical Utilization – DC Staff Hours
 - Template Status
 - Willowbrook Status
 - Minimum Staffing Requirements
 - Average Bed Size

Steps Taken in Developing an Acuity Adjustment

- **Step 1** – Utilize **cost report data** and agency **DDP assessment tool** to build dataset
- **Step 2** – Perform regression analysis to determine **how variables** (bed size, behavioral, adaptive scores, Willowbrook, Minimum Staff Requirements & Template status) **influence direct care hours**
- **Step 3** – Use regression results to determine appropriate direct care hours per individual per month
- **Step 4** – Adjust results to account for variation not explained by regression (“**credibility**” adjustment)
- **Step 5** – Use results to determine agency-specific case intensity **relative to Statewide average** (2015 Statewide Avg Hours: Supervised IRA – 3,518; Supportive IRA – 1,143; 2017 Statewide Avg hours: Supervised IRA – 3,541; Supportive IRA – 1,051)

Acuity Results

- Current R-squared for Supervised IRA: .3987 (2015: .3632)
- Current R-squared for Supportive IRA: .3310 (2015: .3473)
- Relationship between the thresholds and DDP scores improved slightly compared to prior year
- Provider Outlier Corridor Protection
 - 57 providers benefited from the protection
 - 61 providers were brought closer to their reported hours
- 117 Providers are over threshold and 123 providers are below threshold

Acuity Results

- **What is driving the change in Acuity?**
 - CFR hours per capacity – Actual agency experience makes up at least 75% of the factor, and many agencies have changes of 5-10% or more hours per capacity
 - DDP2 scores – Some agencies see significant changes in DDP2 scores, especially agencies with lower capacities
 - Other components of factor – Average bed size, percentage of Willowbrook class, incorporating template, minimum staffing needs