

The Centers for Medicare & Medicaid Services (CMS) Medicaid Innovation Accelerator Program (IAP) is a collaboration between the Center for Medicaid and Children’s Health Insurance Program (CHIP) Services and the Center for Medicare & Medicaid Innovation to build state capacity and support ongoing innovation in Medicaid. This fact sheet summarizes the experiences and lessons learned from the two states (Ohio and Washington) that designed Value Based Payment (VBP) Home and Community Based Services (HCBS) models for Medicaid systems focused on delivering HCBS to individuals with intellectual or developmental disabilities (I/DD).

Value-Based Payment for Home and Community-Based Services: Intellectual and Developmental Disability Systems

To understand the unique considerations necessary to effectively construct a Value Based Payment (VBP) initiative within a system supporting individuals with I/DD, it is important to understand the population and the nature of the services and supports provided through state I/DD systems. CMS launched the Community Integration through Long-Term Services and Supports (CI-LTSS) program area in 2015. The CI-LTSS program area includes the VBP for Home and Community-Based Services (HCBS) track, which offers targeted program support to Medicaid agencies seeking to promote community integration for Medicaid beneficiaries. From April 2018 to September 2019, IAP provided program support through the CI-LTSS program area to 12 states to design and implement a VBP strategy for HCBS: Hawaii, Indiana, Kentucky, Louisiana, Massachusetts, Minnesota, Missouri, New Jersey, Ohio, Texas, Virginia, and Washington. A number of these states aimed to target strategies to Medicaid systems supporting individuals with I/DD. This brief will provide an overview of elements impacting VBP design, including the population served and their length of engagement with the service system, as well as a description of the provider network.

An estimated 7.37 million people with I/DD (22.8 per 1,000 of the population) were living in the United States on June 30, 2016. Of those, an estimated 20 percent (1,488,732 people) were known to or served by state I/DD agencies. Of those served by state IDD agencies, 39 percent (576,506 people) were 21 years or younger and 61 percent (912,226 people) were 22 years or older.¹ The vast majority of individuals are served by state I/DD agencies through Medicaid 1915(c) home and community-based services (HCBS) waivers.

¹ Larson SA, Eschenbacher HJ, Anderson LL, et al. *In-Home and Residential Long-Term Supports and Services for Persons With Intellectual or Developmental Disabilities: Status and Trends Through 2016*. Minneapolis: University of Minnesota, Research and Training Center on Community Living, Institute on Community Integration; 2018.

Although state systems supporting individuals with I/DD may vary in terms of eligibility criteria for services, there are commonalities across the population and across states' infrastructures that are foundationally important to understanding the service delivery system.

Individuals with I/DD have lifelong support needs. State I/DD agencies often begin engagement with individuals and their families early in life or at the point of transition from school to adult services. This early engagement results in a multi-decade relationship between individuals and their families and the state I/DD system of support. This is in contrast to other populations who use long-term services and supports (LTSS). As a result of this dynamic, the goals of the state I/DD system often differ from the goals of other LTSS systems, which primarily provide supports aimed at maintaining or slowing the decline of functionality. State I/DD systems offer an array of services that recognize the trajectory of the life course of individuals supported and their families,² often aiming to assist the individuals in gaining and maintaining skills that will improve their opportunities for community engagement, employment, and relationship-building. As states seek to achieve gains through VBP mechanisms, these objectives will factor into their consideration of outcomes.

In addition to the duration and nature of the supports provided through state I/DD agencies, it the provider network in most states is unique and distinct from that of other LTSS providers. According to the 2017 National Core Indicators Staff Stability Survey, which includes data from more than 3,300 I/DD provider agencies in 19 states, approximately 47 percent of providers employ fewer than 40 direct support professionals and more than 35 percent employ fewer than 20 direct support professionals.³ most state I/DD systems comprise very small organizations. This nature of the provider network is yet another consideration in the construction of and system readiness for effective VBPs.

Overview: State Systems Supporting Individuals With Intellectual and Developmental Disabilities

State-Level Collaboration

State I/DD agencies are the administrative authorities that partner with single-state Medicaid agencies to fund and oversee nearly one-third of the nation's Medicaid LTSS budget annually. Within states, however, the structure of these departments varies, requiring a tailored approach to relationship-building and communication with the state's Medicaid agency and other state partner agencies instrumental to individual positive outcomes. More than half of the nation's I/DD agencies are in the same cabinet-level department as the Medicaid agency. In many instances, this cabinet-level department also serves as the home for state mental health and substance use disorder (SUD) agencies. Nearly a quarter of state I/DD agencies also are in the same agency as the entity responsible for aging services, and fewer than a dozen state I/DD

² University of Missouri at Kansas City. Supporting Families of Individuals With Intellectual & Developmental Disabilities. <http://supportstofamilies.org/states/>

³ National Core Indicators. *2017 Staff Stability Survey Report*. January 2019. <https://www.nationalcoreindicators.org/resources/staffstability-survey/>

agencies are in the same department as vocational rehabilitation. These structural relationships are critically important given the interdependencies necessary to effectively serve individuals with I/DD—many of whom have multisystem involvement.⁴

These agencies often work in tandem to provide the full array of services and supports to individuals with I/DD. Medicaid provides a range of health and other state plan benefits and Early and Periodic Screening Diagnostic and Treatment for children. Vocational rehabilitation provides support for gaining employment, and mental health and SUD agencies, as applicable, may support individuals with co-occurring I/DD and mental health support needs. To effectively devise VBP strategies, states must perform a detailed system assessment to ascertain and map all of the various entities that could affect desired goals and outcomes. As illustrated in the two examples highlighted below about the HCBS VBP work in Ohio and Washington, cross-agency partnership and communication is essential to fully identifying and isolating the levers of impact that could affect VBP outcomes.

Many state I/DD agencies currently are working to strengthen their data capabilities around services and supports provided to individuals. This work often entails efforts to ensure interoperability with Medicaid data systems and, when possible, to achieve data sharing capabilities with other partner agencies within the states. The availability and veracity of data within the state can affect the design and execution of VBP efforts. Many of the state I/DD agencies in the IAP cohort spent significant time identifying potential data sources to inform their intended impact areas.

Effective practices within states include frequent and robust communications. These include regular consultation on areas of intersection in addition to detailed memoranda of understanding articulating the roles, responsibilities, and data sharing involved in their work. These communications provide not only a roadmap for operational considerations but also a natural opportunity for cross-agency education on the value propositions involved in supporting individuals with I/DD through HCBS.⁵

Heretofore, much of the VBP experience has been in clinical arenas in which a positive outcome may be uniformly defined and accepted. Because of the nature of HCBS, the definition of a positive outcome may vary by individual depending on what is important **to** the person as well as **for** the person. This requires a clear-cut articulation of (1) desired areas of impact, (2) available objective data to assess the current “as is” state, (3) metrics for success, and (4) all individuals and entities who may have a hand in affecting the outcomes. This increased complexity requires strong collaboration across systems and a structured approach to ongoing and regular communication to ensure appropriate identification of goals and objectives as well as to infuse a continuous quality approach to review and revise strategies as needed.

Substate System Partners: Role of County and/or Local Entities

⁴ Sowers, M., *Summary of NASDDDS State Member Survey Results*. National Association of State Directors of Developmental Disabilities Services. September 26, 2017.

⁵ Contents of Request for a Waiver. 42 CFR 441.301(c).

In addition to the state-level administrative interactions needed to devise an effective VBP approach, state I/DD agencies also must consider their other partners in service system operations and, in some instances, funding.

Some states use substate entities in the operations of their HCBS programs. These entities may be local, quasi-public entities or may be county-level governmental bodies. The National Association of State Directors of Developmental Disability Services 2019 publication regarding state case management structures indicates that 12 states use some type of substate entity such as a regional office or public health department and seven states reported a county-based system.⁶ For the purposes of this fact sheet, we refer to both county-based entities and local/regional nonstate entities as “county-based entities.”

The particular role that these entities play within the system is a key consideration in the design of VBP propositions. In some county-based systems, the counties provide a portion of state general revenue that comprises the state share for Medicaid. In these instances, the counties must be a party to the design deliberations on VBP strategies because their resources are implicated in the efforts. In addition to funding, county-based entities often perform a multitude of other functions on behalf of the state, making them an impactful partner in the service payment and delivery system. These functions include serving as the provider of case management, performing quality assurance activities on behalf of the state, conducting outreach and enrollment activities, and assisting in collecting and managing critical incidents and investigations. These entities also may play a pivotal role in stakeholder engagement for a VBP initiative. This includes engagement with the state legislature because, in states with a strong county system, the counties frequently play an important role in educating and engaging legislators.

Other states that do not rely on local, regional, or county entities for the performance of operational activities use an array of other arrangements, including state staff or private entities contracted to provide such functions. These other arrangements also may be important to consider as influencers in a VBP environment.

Key Considerations When Constructing a Value-Based Payment Approach Within an Intellectual and Developmental Disability System

State I/DD agencies serve individuals for multiple decades and aim to enhance opportunities for community integration. VBP strategies can be devised to further meaningful individual and systemic outcomes.

⁶ Cooper R. *Medicaid and Case Management for People With Developmental Disabilities: Structure, Practice and Issues*. National Association of State Directors of Developmental Disabilities Services. May 2019. <https://www.nasddds.org/publications/nasddds-titles-for-purchase/medicaid-and-case-management-for-people-with-developmental-disabilities-opt/>

- State I/DD systems comprise many small, community-based organizations. Devising strategies that build capacity within organizations and recognize the challenges related to infrastructure and workforce shortage issues is imperative.
- State-level and substate-level agency infrastructure and partnerships are essential to understanding the shaping of VBP strategies, including identification of loci of control over system funding and operations.

Ohio

Ohio's approach to the HCBS VBP work evolved over the course of the IAP technical assistance project. Initially, the state I/DD agency (Ohio Department of Developmental Disabilities [DODD]) sought to devise an accountable care organization approach wherein the providers would have a risk-sharing arrangement for the achievement of certain outcomes on behalf of individuals with I/DD. Through tax levies, Ohio counties contribute a significant portion of revenue to the I/DD service delivery system in the state. As a result, the original concept proved extremely complex for implementation, so the state opted for an incremental approach for designing a VBP solution.

The state then turned its attention to devising a VBP initiative aimed at creating a career ladder for direct support professionals. The state's proposal entailed a multistep ladder in which agencies would receive enhanced payments for staff members who completed specific tenure and competency-based requirements. A specified portion of the enhanced payment would be paid to the staff member as wages, with a concomitant administrative element for provider agency administration. Ohio was exploring strategies for implementation, including the potential use of its electronic visit verification system or the use of a supplemental payment mechanism within its section 1915(c) waiver(s). The state decided to table implementation of the approach in the current state fiscal year.

For more information on the state's work in this area, contact Jeff Davis, DODD Director, at Jeff.Davis@dodd.ohio.gov.

Washington

Washington State's I/DD agency, the Developmental Disabilities Administration (DDA), is collaborating with the Department of Education and the Division of Vocational Rehabilitation to incentivize system partners to assist graduating (exiting) students in finding jobs after high school. There would be a first incentive payment during the students' second-to-last year of school to prepare them for job searching through the Department of Vocational Rehabilitation and a second incentive payment upon job placement (with a higher incentive amount the sooner the individual is placed into a job). The county would be the accountable entity and recipient of the incentive payment. The target population is students exiting school who have been assessed as having significant support needs. The state seeks to begin this effort as a pilot—pilot participants would be counties that opt in and are prepared to participate in this type of initiative. The state is working diligently to ensure that the DDA payments complement

rather than duplicate activities that are the purview of other agencies and to devise strategies for effective data sharing and communications to ensure ongoing efficacy.

For more information on the state's work in this area, contact Terry Redmon, Employment Partnership Program Manager, DSHS, at redmot@dshs.wa.gov.