



Summary of Guidehouse Rate Recommendations

January 2021

In December 2020, the Developmental Disability Services Rate Study was issued by Guidehouse under contract with the Illinois Department of Human Services. The Rate Study was a 2-year process that evaluated and made recommendations for the rate structure for several components of the Illinois I/DD system including:

- Community Integrated Living Arrangement (CILA)
- Community Day Service (CDS)
- Supported Employment (SEP)
- Intermediate Care Facilities for Developmental Disabilities (ICFDD)
- Related clinical services

The full report is over 100 pages; a summary of the key recommendations likely of most interest to stakeholders is listed below. Guidehouse did not prioritize recommendations and the state has not yet indicated next steps in response to the study. The Institute was represented at all Oversight Committee meetings which monitored the work and chaired the Staffing Committee which submitted substantial recommendations for consideration in the development of rate recommendations in that area.

Recommendation 1

Adopt a standard for DSP wages that establishes wage assumptions at 150 percent of the statewide minimum wage. DSP Wage Reasoning:

- Rate based on a combination of BLS wage rates
- Aligns with other state's rates for direct care staff
- Recommended by the Oversight Committee in their report
- Returns the DSP wage to its market value relative to the minimum wage when the current system was first put in place

Recommendation 2

Implement separate service rates for the "Chicago Area," reflective of higher wages and cost of living requirements in the city of Chicago, Cook County and surrounding counties, including the counties of Lake, McHenry, Kane, DuPage and Will. Benchmark rates are established based on staff compensation assumptions 15 percent higher than statewide compensation.

Recommendation 3

Raise the fringe percentage to 29.9 percent of wages for DSPs across services, including similar staff types in ICF/IDDs. For higher-wage staff, implement fringe percentages appropriate to the "wage band" of the staff type.

Recommendation 4

Expand day program service offerings to include more community-oriented services, including a new Community Integration Supports service and enhanced day program rates for individuals experiencing behavior challenges and/or high medical needs. Day Program Recommendations and Assumptions:

- Rate methodology developed that includes assumptions on wages, productivity factors, occupancy, supervision, staffing ratios, transportation, capital, program support and administrative overhead (see Rates Report for full list).
- Adopts a "Zero-Hour" staffing model that will provide minimum round-the-clock staffing for 24-hour CILA services (Recommendation 8). Although also provides a "5-Hour" model as an alternative.
- Establishes a new service called Community Integration Supports. – Community Integration Supports (CIS) would be at a 1:1 to 1:2 ratio

- Defines staffing ratios for day programs.
 - CDS/Facility Based (31U) would be at 1:5
 - CDS/Community (31C) would be at 1:4
 - At Home Day (37U) would be at 1:3
- Builds tiered rates for individuals with higher resource needs for CDS specifically (would replace 1:1 supports)
 - Medical/Behavioral Level 1 supports (for individuals who require 1:1 staff support for more than 40 percent of time)
 - Medical/Behavioral Level 2 supports (for individuals who require 1:1 staff support needed more than 90 percent of time, or 2:1 support needed more than 40 percent of time).

Recommendation 5

Continue to reimburse day program transportation costs through the existing “bundled” day program rate methodologies rather than establishing a separate non-medical transportation rate. Transportation Reasoning:

- Oversight Committee recommended unbundled transportation
- However, unbundled rates would cover a much narrower range of modalities than the Subcommittee intended (for example, rates would not cover normal public transit, which must be paid at market rates, per Medicaid rules)
- Bundled rates provided for more provider flexibility to decide how transportation would be provided.

Recommendation 6

Redesign the Supported Employment service array to provide supports for individualized job coaching while improving alignment between costs and reimbursement for small group services.

- Billing is done in 15-minute increments, not 1-hour increments.
- Note this is for waiver funded services only; proposed Supported Employment Program Offered by DDD:
 - SE-1 Supported Employment Career Assessment
 - SE-2 Supported Employment Job Finding and Development
 - SE-3 Supported Employment Job Coaching and Support
 - GE-1 Small Group Employment Level 1 (1:6)
 - GE-2 Small Group Employment Level 2 (1:3)

Recommendation 7

Adopt the “ICAP+HRST” assessment framework to improve the process of adjustment for CILA program rates based on individual resource needs.

- The Inventory for Client Assessment and Planning (ICAP) is a nationally recognized, validated assessment tool. It is one of the most common assessments used for the population to identify resource need.
- The Health Risk Screening Tool (HRST) is a widely used, validated health risk screening tool for people with disabilities to assess their ability to engage in functional activities.

ICAP+HRST Reasoning:

- The addition of HRST would improve reflection of medical needs of individuals being served without going through a full re-validation process with a new tool
- Significant changes to acuity adjustment open up new financial risks for providers
- Since they’re both currently used tools, Guidehouse was able to model adjustment alternatives with real data and without laborious processes of new assessment and additional data collection.
- Concerns about ICAP accuracy may reflect problems in how it is currently administered by providers rather than its objectivity when applied by State or third-party assessors.

Recommendation 8

Adopt a “Zero-Hour” staffing model that will provide minimum round-the-clock staffing for 24-hour CILA services. “Zero-Hour” Reasoning:

- Provides more flexibility for individuals to plan their days
- May encourage employment outcomes
- Provides resources for older adults, and others, to be able to stay home and not participate in a structured program.

Recommendation 9

Adjust base nursing hours by the residents Health Care Level (HCL) score across all CILA homes and replace LPN with RN wage assumptions to ensure all required base nursing activities fall within the practitioner's scope of practice. Nursing Recommendation: Base nursing of 12 hours of LPN time and one hour of RN time annually would increase to a minimum of 18 RN hours per year at the lowest HCL level and adjusted upward as HCL levels increase.

Recommendation 10

Establish CILA administration costs as a percentage of program costs rather than a fixed-dollar allowance to improve the allocation of administrative costs where they are most likely to be incurred. Administrative Costs Recommendation:

- Administration rate of 15.8% of CILA staff costs, which reflects the median percentage of program costs spent on administration costs reported by CILA providers (11% of total CILA costs).
- Returns estimated administration costs much closer to the original proportions when the model was first established.

Additional Recommendation Therapy & Counseling Recommendation

- Current rates prioritize and incentivize Behavior Services over other types of therapy/counseling services
- Therapy rates are not in line with rates under other programs/agencies
- Guidehouse used a combination of Provider Cost & Wage Survey and BLS data to create wage assumptions
- No geographic rate adjustment.

Additional Considerations

- Need to assess and respond to the impact of increases in the related services rates on individual's Home-Based Support Services budgets
- Consider revising waiver to shift from "bed hold" to an occupancy rate in the model to capture federal match
- Consider shifting from a per-diem for Intermittent & Family CILA to an hourly rate which would create more flexibility for individuals and accountability for providers. Also disentangle Room & Board from supports
- Assess the use of ICAP as a long-term solution for determining individual need
- New policy will be required to create the specific criteria for determining client eligibility for enhanced rates. This would also include the shift away from 1:1 supports.

Summary

The Guidehouse study offers an ambitious yet rational set of recommendations for policymakers to embrace and advance in order to balance and stabilize the Illinois I/DD community system. We look forward to working collaboratively with stakeholders in advocating for full consideration of this body of work in both policy and budgetary decision-making.