



COLORADO
Department of Health Care
Policy & Financing



COLORADO
Department of Public
Health & Environment

June 1, 2017

The Honorable Kent Lambert, Chair
Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Senator Lambert:

Enclosed please find the Department of Public Health and Environment and the Department of Health Care Policy and Financing's response to the Joint Budget Committee's Multi-Department Request for Information #7 regarding site surveys.

Multi-Department Legislative Request for Information #7

The Department of Health Care Policy and Financing and the Department of Public Health and Environment are requested to report, on a quarterly basis starting September 1, 2016, on the status of hiring new site surveyors, the number of surveys done, the types of providers surveyed, and the time required for each survey. The Departments are also requested to include the estimated cost estimates of provider compliance with the final settings rule and the types of support and technical assistance the Departments are providing.

This third quarterly report encompasses July 2016 through April 2017.

The report contains information about the status of the hiring and training of site surveyors by the Colorado Department of Public Health and Environment (CDPHE), the number and type of site surveys conducted from July 2016 through April 2017 by CDPHE, and the time required to conduct each site survey.

In this report, the Departments describe the processes they are using to collect information regarding the costs to providers of complying with the final rule, the types of potential cost increases identified so far, and the timeline by which they expect to pursue, if necessary, any budget requests and waiver amendments. The Departments also address the recent federal extension of the deadline for compliance with the final settings rule.

The report also includes information regarding the types of support and technical assistance the Departments have provided thus far and will continue to provide.

This submission is the last in the series.

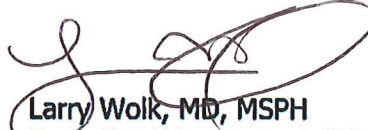


If you require further information or have additional questions, please contact the CDPHE Legislative Liaison, Michael Nicoletti, at Michael.Nicoletti@state.co.us or 303-692-3471, and the HCPF Legislative Liaison, Zach Lynkiewicz, at Zach.Lynkiewicz@state.co.us or 720-854-9882.

Sincerely,



Susan E. Birch, MBA, BSN, RN
Executive Director
Department of Health Care Policy & Financing



Larry Wolk, MD, MSPH
Executive Director and Chief Medical Officer
Department of Public Health & Environment

Enclosure(s): Health Care Policy and Financing FY 2016-17 Multi-Department RFI #7

Cc: Representative Millie Hamner, Vice-chair, Joint Budget Committee
Representative Bob Rankin, Joint Budget Committee
Representative Dave Young, Joint Budget Committee
Senator Kevin Lundberg, Joint Budget Committee
Senator Dominick Moreno, Joint Budget Committee
John Ziegler, Staff Director, JBC
Megan Davisson, JBC Analyst
Eric Kurtz, JBC Analyst
Henry Sobanet, Director, Office of State Planning and Budgeting
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John Bartholomew, Finance Office Director, HCPF
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Tom Massey, Policy, Communications, and Administration Office Director, HCPF
Chris Underwood, Health Information Office Director, HCPF
Dr. Judy Zerzan, Client and Clinical Care Office Director, HCPF
Jed Ziegenhagen, Community Living Office Director, HCPF
Rachel Reiter, External Relations Division Director, HCPF
Rich Hull, Budget Director, CDPHE
Randy Kuykendall, Health Facilities and Emergency Medical Services Division Director, CDPHE
Kara Johnson-Hufford, Health Facilities and Emergency Medical Services Division Branch Chief, CDPHE
Zach Lynkiewicz, Legislative Liaison, HCPF
Michael Nicoletti, Legislative Liaison, CDPHE



RFI Language

Department of Health Care Policy and Financing, Executive Director's Office; and Department of Public Health and Environment, Health Facilities and Emergency Medical Services Division - The Departments are requested on a quarterly basis starting September 1, 2016 to report on the status of hiring new site surveyors, the number of surveys done, the types of providers surveyed, and the time required for each survey. The Departments are also requested to include the estimated cost estimates of provider compliance with the final settings rule and the types of support and technical assistance the Departments are providing.

Overview

In January 2014, the federal Centers for Medicare & Medicaid Services (CMS) published the Home and Community Based Services (HCBS) Settings Final Rule setting forth new requirements for several Medicaid authorities under which states may provide home and community based services. The regulations enhance the quality of HCBS and provide additional protections to individuals that receive services under those Medicaid authorities. The regulations went into effect in March 2014, providing states five years, until March 2019, to ensure that all home and community based settings are compliant with the rule. The new regulations ensure that participants receiving home and community based services have access to the benefits of community living, that these services are true alternatives to services provided in an institutional setting, and that they are delivered in the most integrated setting possible.

This quarterly report is an update for work completed this state fiscal year (FY 2016-17), encompassing ten months, July 2016 through April 2017. On December 16, 2016, the Colorado Department of Health Care Policy and Financing (HCPF) submitted the fourth version of its Statewide Transition Plan under the HCBS Settings Final Rule, along with an updated crosswalk that systemically assesses current state statutes, regulations and waivers and identifies where changes may be necessary, to the Centers for Medicare & Medicaid Services for review and approval. On February 9, 2017 HCPF received feedback from CMS, which the two agencies discussed by telephone on March 21 and 29. The Department is planning next steps in light of this feedback along with the public comments received during the two most recent public comment periods (June 2016 and March 2017).

The Statewide Transition Plan includes a plan for verifying provider compliance with the federal Settings Final Rule that, among other things, calls for a randomly selected sample of settings to be visited. A contractor (Telligen) completed an initial batch of 57 site visits during the summer of 2016. The Colorado Department of Public Health and Environment (CDPHE) is charged with completing the remaining site visits pursuant to the Statewide Transition Plan. The two departments continue with weekly calls to discuss the status of the Statewide Transition Plan and related work.

Status of Hired Staff

CDPHE hired one full-time supervisor in July 2016 and five full-time site visit staff in September 2016. Following initial onboarding training, onsite visits by CDPHE started the last week of September 2016. From late September through December 2016, all site visits were completed in small groups to allow for hands-on cross training with pre-site visit preparation, on-site visits and report writing. Working closely as a team during this time has resulted in a consistent approach and message. As of early January 2017, staff have been able to work independently, particularly at smaller settings.

Number of Surveys Completed

The Department of Health Care Policy & Financing selected a statistically significant sample size of the total number of settings, using a 95% confidence level and 5% margin of error. The Department used a probability proportional to size sampling methodology to allocate the site visits proportionately across setting types and randomly within setting type.

Based on this selection methodology, the Department of Public Health and Environment ultimately expects to complete about 361 site visits, taking into account preliminary visits it conducted that are not counted toward the total required visits.

In addition, the Department expects to receive over 3,000 Provider Transition Plans from providers not having a site visit. The Provider Transition Plan is a document that the provider must complete to assess its compliance with the federal Settings Final Rule and set out a remedial action plan and timeline. These plans will be subject to desk review by the Department of Public Health and Environment. To promote efficiency in the completion and review of these plans, the Department of Health Care Policy and Financing is developing a web-based version of the Provider Transition Plan and an accompanying manual.

From July 2016 through April 2017, the Department of Public Health and Environment completed 323 of the 361 site visits that it expects to complete. The table below shows how these visits were allocated across setting types.¹ The Department expects to complete all 361 site visits by the end of June 2017.

¹ As stated in a prior quarterly report, Telligen conducted 57 site visits from April through June 2016. The table in that report shows how those visits were allocated across setting types.

Types of Providers Surveyed

The following types of settings were visited from July 2016 through April 2017:

	July 1, 2016 - April 30, 2017
Residential settings	
Children's Habilitation Residential Program settings	3
Alternative care facilities	30
Supported Living Program and Transitional Living Program facilities for individuals with brain injuries	1
Residential settings for adults with intellectual and developmental disabilities, including group homes, host homes and other homes	224
Nonresidential settings	
Adult day services centers	10
Day habilitation settings for individuals with intellectual and developmental disabilities, including specialized habilitation, supported community connections and prevocational services	37
Day treatment facilities for individuals with brain injuries	1
Supported Employment – Group locations	14
Youth Day service settings	3
Total settings	323

Time Required per Survey

Site visit staff request documentation from the provider prior to the on-site review. This includes policies, procedures, and the Provider Transition Plan. Each site visit requires one and a half to two days including pre-site visit preparation, the on-site inspection, travel and report writing.

The Department of Public Health and Environment staff are able to work individually or in groups of two. For smaller settings, they complete up to three site visits a week per surveyor. Many agencies require two surveyors, due to the number of individuals in services, to allow for a full review at each facility. For these facilities, the Department completes two visits a week with two survey staff each. Given the five full-time staff to complete site visits, this results in eight to ten site visits a week.

Cost Estimates of Provider Compliance with the Final HCBS Settings Rule

The Department of Health Care Policy and Financing sent sample Provider Transition Plans to CMS and to the federal Administration on Community Living (ACL) in September 2016 to ensure the plans are compliant with the federal rule. The Department sent additional Provider Transition Plans to CMS and ACL in April 2017 and is arranging a teleconference with federal staff to discuss these materials. The Department will use this process to ensure that remedial

action plans without cost impacts can be sufficient in some cases, and to better understand the potential for any significant cost impacts. The Department is also updating the Provider Transition Plan templates to allow providers to include more detail about the costs they expect to incur.

The Department is actively engaging with stakeholders to learn about potential cost increases that may be incurred to implement the federal Settings Final Rule. Department staff have attended numerous stakeholder meetings to encourage providers and other interested parties to submit information about cost impacts via the public notice-and-comment process for the statewide transition plan and via the Medicaid Provider Rate Review Advisory Committee (MPRRAC) process, which is currently focused on rates for Home and Community Based Services.

In an effort to aid in informing this possible impact, the Department of Public Health and Environment collects information from providers during site visits regarding anticipated changes to their costs as they work toward compliance with the federal Settings Final Rule. Non-residential providers have stated they may require additional staff to provide greater choice of community services in smaller, more individualized groups in the community

Site visits identified through the random sample are expected to continue through June 2017. Throughout the process, the Department of Public Health and Environment will continue to provide the Department of Health Care Policy and Financing with additional input from providers regarding anticipated costs that the Department can use to extrapolate system-wide cost projections. The Department of Health Care Policy and Financing will calculate the potential rate impacts of provider mitigation strategies and, if warranted, begin pursuing any necessary budget requests and waiver amendments.

On May 9, 2017, CMS issued an Informational Bulletin extending the transition period for compliance with the Settings Final Rule by three years, to March 17, 2022. In light of the Informational Bulletin, the Department of Health Care Policy and Financing is planning to delay the statewide compliance deadline in the Statewide Transition Plan by one year, from March 2019 to March 2020. Such a delay will move statewide compliance into the next fiscal year, thereby giving the Department and interested stakeholders an additional year to compile and analyze more comprehensive information about potential costs of compliance. Meanwhile, the Department of Health Care Policy and Financing is continuing to implement the current Statewide Transition Plan and to require that providers take steps toward compliance. Concurrently, the Department of Public Health and Environment will work with all providers completing Provider Transition Plans and updating their policies and procedures. Moreover, CDPHE will conduct ongoing site visits throughout the state, including at settings where providers request a site visit to obtain more direct input and assistance; settings not included in the universe from which random selections were made in Fall 2016 (*e.g.*, those operated by new

providers or identified later); settings that were already visited and are working through compliance with the Final Rule; a selection of family-caregiver-owned homes sufficient to test the presumption in the Statewide Transition Plan that these settings comply with the federal requirements; and any additional settings where the Departments may have concerns about potential noncompliance (*e.g.*, based on responses to the Individual/Family/Advocate Survey that are identifiable to a particular setting).

Support and Technical Assistance the Departments Are Providing

Since the implementation of the federal Settings Final Rule, the Department of Health Care Policy and Financing has been working with stakeholders to ensure that Colorado becomes fully compliant. The Department created and recently updated a website for educational materials and other documents, and its staff have attended numerous stakeholder and provider meetings to provide information and answer questions about the rule. The Departments of Health Care Policy and Financing and Public Health and Environment continue to provide information to stakeholders regarding the Settings Final Rule to ensure participants, providers and other stakeholders understand the rule and its implementation. The Departments of Health Care Policy and Financing, Public Health and Environment, and Human Services convene weekly to assist in preparing and taking action steps.

The Department of Public Health and Environment provides direct support and technical assistance to providers who receive a site visit. Not only are site visit staff working with a provider regarding a specific facility, Department staff also provide technical assistance for other services delivered by the provider, to assist with the provider's overall plan for compliance with the federal Settings Final Rule. As a part of the visits, Department staff track questions and trends raised during site visits. Responses to Frequently Asked Questions are being prepared at the Department of Health Care Policy and Financing, and will be shared system wide on a rolling basis in the coming months.

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Adopting the recommendation of its staff, the Joint Budget Committee has discontinued this RFI. *See* Letter from Sen. Lambert to Gov. Hickenlooper (May 5, 2017). Therefore, this submission is the last in the series.

