

Family Cost Participation Stakeholder Meeting
Richmond, Virginia
03/13/08

The second meeting of the Family Cost Participation Stakeholder Group was held March 13, 2008 in Richmond, Virginia. The following individuals were present: Andrea Adelman, Joanne Boise, Carol Burke, Tim Capoldo, Heidi Faustini, Debra Holloway, Rhonda Luck, Alison Standring, Anne Simmons for Sandra Church, Molly Zarski, Karleen Goldhammer and Sue Mackey Andrews. Karen Durst recorded the minutes from the meeting.

Sue Mackey Andrews called the meeting to order and introductions were made. Members were asked to share their thoughts related to the Family Cost Participation process and materials that had been provided. The following information was shared:

- It is interesting to see what other states are doing based on the state examples provided;
- The states of New Jersey and Massachusetts were interesting with New Jersey having the most generous Family Cost Participation process;
- Information from one state was somewhat confusing;
- The desire is for the Family Cost Participation process in Virginia to be simpler and more concrete; and
- It would be a positive for families to have to pay as little as possible.

Karleen Goldhammer then updated the members on the work of the stakeholder groups including the Rates and Allocations Group, the Data Group and internal meetings with Medicaid and the Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS). Karleen reported the follow related to Medicaid:

- The work with Medicaid is moving forward;
- Service Coordination will be included under an Administrative Reimbursement Agreement;
- Once the Department of Medical Assistance Services (DMAS) submits a State Plan Amendment (SPA), CMS has a 90-day window for action. That action may include a request for additional information;
- The Part C Office is exploring the possibility of extending the SFY 2008 Part C contract for a period of six (6) months while the changes are being approved;
- It is anticipated that Managed Care Organizations (MCOs) will be included in the changes, hopefully within 90-days after the original CMS approval;
 - A contract change will be made requiring the MCOs to pay the contractual rate; and
 - Work will be done with insurance companies related to changes, as well. Changes with insurance companies typically occur following changes with MCOs.

- The Medicaid Stakeholder Group will be meeting tomorrow, March 14, 2008.

Information on the Rates Group included:

- The terminology of “allocations” will not be used;
- Reimbursement will be provided to local systems based on the services provided;
- Forty-four percent (44%) of the children in part C are covered under Medicaid;
 - It is expected that 95-98% of their costs will be covered by Medicaid;
- Family fees currently bring \$750,000-\$1,000,000 into the State Part C System;
- Work is continuing related to rates; and
- A call of the Stakeholder Group has been scheduled for March 27, 2008.

Karleen shared the following information related to data:

- Work is continuing in determining either enhancements or replacement of the Infant & Toddler On-Line Tracking System (ITOTS);
 - This decision will be based on the ability of the system to provide the required reporting data; and
 - There is a 30-day timeline for working with the Department’s Information Technology (IT) staff in developing a document including recommendations for the system;
- A sufficient data system must be in place in order to move forward; and
- This process must include working with the Virginia Association of Community Services Board’s (VACSB) data committee and the internal data committee of DMHMRSAS.

It was also shared that an internal meeting was held with Frank Tetrick of the Department. Karleen, Sue, Tammy Whitlock from DMAS and Mary Ann Discenza participated in the meeting. Information was discussed related to the proposed changes.

Additional information that was shared by Karleen and Sue included the following:

- The Part C Office will define the qualification requirements for providers;
- Medicaid will not reimburse for the blended service coordination model;
 - Local systems will have the option of using a blended service coordination model using local resources to cover the unfunded difference; federal Part C funds can’t be used for due to the Payor of Last Resort requirements;
- In moving early intervention from Rehab to Early Periodic Screening, Diagnosis and Treatment (EPSDT), special instruction will be called developmental promotion intervention;
- Providers will be referred to as early intervention specialists and will be enrolled and certified through the Part C Office;
- Associated costs will be built into the reimbursement rate;
- Medicaid will provide reimbursement for screening, assessment for service planning, direct services and teaming;
- Billing will be moving from revenue codes to procedural codes and will be billed in 15 minute increments;

- Medicaid will not reimburse for services related to procedure safeguards, IFSP development or child find;
 - Reimbursement for those services will be with Part C funds; and
- Medicaid will not reimburse for no-shows.

The outcomes for a revised System of Payment were identified as:

- Equity and parity;
- Compliance with the payor of last resort and non-supplanting; and
- Accessibility, with the system being user friendly and enhancing access to services.

The members reiterated that the Family Cost Participation for Virginia should have an ease in administration, be simple, flexible and have less impact on the IFSP.

The acceptance of “visual regard” is being recommended related to verification of a family’s income. The designated individual will view the family’s tax return and both the parent and the designating individual will sign stating the form has been viewed. This process is considered to be efficient and reliable.

Related to insurance, Sue shared that private insurance will not pay if a service is to be “free” to the general public. In order to comply with the federal requirement of payor of last resort, the terminology to be used is “at no cost to the family”. She further stated that in some states, insurance is billed for assessment (e.g., testing) services. Parents control whether their private insurance can be accessed for assessment services. Consideration must be given as to whether there would be a loss of life-time benefits by accessing a family’s private insurance and if accessing the insurance could cause an increase in the cost of insurance to the family (premiums, co-pays, deductibles), or a dilution in coverage. Sue emphasized that families can advocate for changes to their insurance and often don’t know what they have until they go to use it, and are then disappointed to learn that they don’t have the coverage they thought they did.

Sue stressed that Family Cost Participation includes fees and/or the use of private insurance and is broader than just Part C. Other public resources are considered such as Title V/Children with Special Health Care Needs and the State Children’s Health Insurance Program (SCHIP). Payment of insurance co-pays, deductibles and family fees are also included in assessing family cost as they are out-of-pocket and may meet the “inability to pay” requirements of Part C.

Joanne Boise, from the Virginia Department of Health, shared that the some fees are charged for the program for Children with Special Health Care Needs. A small amount of money is available for assistance for families that have no insurance coverage. The guidelines are set at up to 300% of the federal poverty level.

Discussion was held as to the implementation of the Family Fee System. The following recommendations were made:

- Once approved and people are trained, implementation will occur
 - As new families enter the system;

- At reviews for those already in the system; or
- Upon request by families already in the system and who would like the new system to be implemented now.
- Related to who will conduct the process
 - The decision is to be made by the local system;
 - The identified person/s must be trained;
 - Monitoring will be conducted by the State Part C Office;
 - The decision of who will be collecting the fees is optional with the decision being made by the local system; and
 - Training is necessary.

Sue did recommend that localities consider partnership with one another for fee billing and collection as there is precedence set within the CSB system for this, and it would be most cost effective and efficient. Perhaps one CSB would step forward and provide this service for others within a region, or multiple CSBs would collaborate and hire a “third party administrator” or TPA.

Discussion continued as to the preferred model for Family Cost Participation. Members were provided with examples from Texas, Illinois, North Carolina, Massachusetts, Connecticut, Missouri and New Jersey. The following input was given:

- The system for Massachusetts appears simple with an annual fee being charged to families based on the federal poverty level;
 - Families who allow the billing of their insurance are eliminated from paying a fee;
- Should fees be prorated for the time a family is actively in the system;
- Consideration should be given if a family has high deductibles;
- Approval by an insurance company may take time and how would that be addressed related to the family paying fees;
- A deductible is an out of pocket expense and should be considered;
- Some states charge either an annual fee or permission to access insurance;
 - A time period is set for approval of the insurance with fees waived during that period; and
 - Some states require that families be responsible for paying their co-pays and deductibles up to the amount of the identified annual fee;
- There is a need for accountability related to the System of Payment including the administering, recording of data and collection of the fees;

The following recommendations were made:

- An annual fee would be charged or the use of the family’s insurance not to exceed the cost of the IFSP..
- Taxable income will determine the annual amount and will be based on Federal Income Guidelines.
- Local Lead Agencies must have data available regarding the family fees collected. The process for billing would be up to the local system with regional billing being an option. The information related to family assessment for cost, cost billed, payments

- A universal process should be developed to address what occurs if a family cannot afford to pay or refuses to pay. An appeals process would be included.

Sue and Karleen will develop models for consideration for Virginia's Family Cost Participation based on the input of the stakeholders. Fees will be established beginning at 300% of the Federal Poverty Income Guidelines. Consideration will be given to the average cost of deductibles. The model from Massachusetts will be closely examined as it does respond to many of the priorities for outcomes that the stakeholder group has identified as important for the Commonwealth.

A question arose as to how assistive technology (AT) would be addressed. Sue shared that some states do not include AT with Family Cost Participation. AT will be considered in the options that are developed. Sue stressed that equipment that is bought with Part C funds must be returned to Part C when the child leaves Part C. This is a requirement of the Education Department General Administrative Regulations (EDGAR) that has a dollar amount at which the equipment continues to belong to the lead agency; expendable supplies do not have to be returned.

The Service Pathway was then discussed. A suggestion was made that at least some component of the "Completion of the Family Cost Participation with the Family" be moved from *Needs/Service Assessment* to *Eligibility Determination* in order to allow for preauthorization and billing for assessment (testing) to both Medicaid and private insurance. It was also suggested that a brochure be developed for families related to Family Cost Participation. This brochure would explain the cost system and would include an income guidelines chart. Some examples were provided for the stakeholder group to give them an idea of what other states have done.

Members discussed the need for training related to the implementation of the new Family Cost Participation system. The following recommendations were made:

- A technical manual would be made available for those responsible for and those supervising individuals who are responsible for determining family cost share;
- Training would first be done regionally for program administrators with a second training for local system personnel;
- "Remedial," web-based modules would be developed with examples included;
- A protocol for monitoring and supervision at the local level would be provided. Technical assistance follow-up would be provided;
- Consideration must be given related to the impact on provider contracts with the possibility of extending contracts being considered; and
- Consideration must be given to the timeline for training and the actual implementation of the Family Cost Participation system in regards to the implementation of the Medicaid initiative and revenue coming into the system.

In conclusion, the stakeholder group decided to call the payment system "Family Cost Share." Next steps were discussed and include the following:

- Materials from today's meeting will be made available to stakeholder members including options developed by Sue and Karleen based on the group's recommendations. Karleen will develop some modeling and send it along to the stakeholder group to share with their constituents. The modeling will provide different fee scale approaches starting at 300% Federal Poverty Level (FPL).
- Two weeks will be allotted to share the information with constituents and allow for input. Once the model options related to family cost share are completed and sent to stakeholder reps, the two week period for review and comment will be initiated.
- Feedback will be requested on the particulars of the system.
 - We especially want to hear about implementation issues, perceived challenges or barriers, etc. from all localities.
- Follow-up emails/conference calls will be arranged for the Stakeholder Group as needed.
- Part C Forms will be modified as needed.
- Policies and Procedures will be modified as needed.

The meeting was adjourned.