PART C PLAN B MEETING
DEPARTMENT OF MENTAL HEALTH, MENTAL RETRADATION AND SUBSTANCE ABUSE SERVICES
RICHMOND, VIRGINIA
03/29/04
DRAFT MINUTES

The first meeting of the Plan B Committee was held Monday, March 29, 2004, at the Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS). The following members were in attendance: Ron Allison; Debbie Burcham; Carol Burke; Scottie Burnette; Nancy Butts; Beverly Crouse; Pat Dewey; Mary Ann Discenza; Tom Geib; Jim Gillespie, Carol Granger; Jean Hearst; Jim Henson; Debra Holloway; Jan Jessee; Katy McCullough; Shirley Ricks; Frank Tetrick; and W. J. Thomas. Karen Durst served as the recorder.

Mary Ann Discenza, the Virginia Part C Coordinator, welcomed the group and members then introduced themselves. Mary Ann also introduced Mr. Jim Henson of Mid South Regional Resources as the facilitator for the meeting. Mr. Henson's assistance is being provided to Part C through sponsorship by the Office of Special Education Services (OSEP).

Frank Tetrick, the Assistant Commissioner for Community Services, addressed the members. He extended thanks to everyone for their willingness to participate on the Plan B Committee. Frank stated that while an Infrastructure Task Force has been formed to provide recommendations regarding the future of the Part C system, the Plan B Committee will be addressing the immediate needs that exist. He recognized the financial uncertainty with the Part C system and stated that he, Mary Ann Discenza and Shirley Ricks had met with Commissioner Reinhard to provide information about the existing concerns. He stressed that the Commissioner expressed the need for other agencies within the interagency system to come forward and assist in addressing the Part C needs.

Shirley Ricks, the DMHMRSAS Manager for Family and Children's Services, also addressed the group. She echoed Frank's comments and commented on the concerns with the Part C budget shortfall. She asked the group to recognize that the Plan B process will result in an interim plan of 9-12 months in duration while the Infrastructure Task Force addresses a long-term plan. Shirley encouraged the Plan B Committee to work toward a process that would accomplish the following:

- Enable the Part C system to work effectively while facing the existing deficit;
- Enable the system to meet the needs of children and families; and
- Make people relatively happy.

Jim Henson then provided a framework for the day's meeting. It was determined that ideas that came forth from the Plan B Committee would be charted and that ideas that would require long-range plans would be recorded on a separate chart to be given to the

Infrastructure Task Force. Jim presented the following as a guide for how information provided by the members would be used:

- To guide Part C services during the financial shortage and
- To assist the Part C system in how to plan during the budget cuts while remaining efficient and effective.

A list of considerations was distributed to the members with each consideration to be addressed. Jim asked that two questions be addressed for each consideration. The questions were:

- What does the issue mean to the Part C program and
- How can the consideration be dealt with related to the immediate needs.

The first consideration was "No Waiting Lists". The following comments and questions were generated by the members:

- Is the purpose of not having waiting lists to avoid administrative complaints;
- Is it realistic not to expect waiting lists considering the budget shortfall;
- What does "no waiting list" actually mean;
- Would this mean that all children found eligible would receive the identified services;
- Would this encompass all or only some services;
- Would this involve children already in the system, those just being referred or both; and
- This is a legal issue where services are identified on the IFSP but children must wait because services are not available.

Shirley Ricks stated that the interpretation of the Part C office was that if a child is eligible for Part C services, then they will be served. Mary Ann Discenza added that the Part C system is under-funded and that if there are waiting lists then there is the potential for due process. Discussion surrounded providing families with their legal rights and recognizing that some parents will exercise their rights.

It was stated that this is what the system is for and that in some ways it is hoped that families will exercise their rights. It was commented that it might take many appeals in order to bring about change.

The question arose as to how often due process occurs in the state. Shirley reported that there are few due process hearings and that previously there had been one-time additional funds to assure that needs were met. She reported that those funds have been depleted. Shirley stated that it is the responsibility of the system to be certain that parents are aware of their rights.

Discussion then focused on who is legally responsible for assuring that Part C services are provided. Shirley reported that the Code of Virginia says that the Lead Agency assures that services are available but that ultimately the state holds the responsibility. She further stated that it would cost the Commonwealth money for the complaint process to be carried out. It was stated that if there were numerous complaints that ultimately, the Governor would have to respond.

Frank Tetrick reiterated that the Commonwealth is responsible and that as the Lead Agency, the DMHMRSAS provides the management and over site for the Part C program. He further stated that in order to receive funds that it must be proven that the system is efficient and that taxpayers' money is not being wasted. He stated that the question would be asked if everything possible has been done to assure this efficiency.

It was reported that providers were withdrawing from the Part C system due to their need for extra funds for costs associated for the provision of the entitled Part C services. It was stated that significant budget cuts would further precipitate the loss of providers and result in even more waiting lists.

Mary Ann clarified that the decrease in reimbursement rates had also contributed to the loss of providers within the system. She stated that the issues associated with providing services in the natural environment also resulted in increased costs to providers.

The topic of service delivery was addressed. It was expressed that there is not uniformity across the state in the delivery of services and that more consistency is needed. It was identified that there is a need for localities to improve their service delivery approach.

It was stated that there is limited information available related to efficiency and consistency within the system. Jim Henson pointed out plans need to be made based on what is known and what can be done. He identified the importance of advocacy. He stated that along with the advocacy comes the responsibility to be certain that funds are used as efficiently as possible. He reiterated the need to establish a plan to address the crisis.

The consideration of the "eligibility definition" was then brought forward. Jim Henson reported that each state must determine how narrow or how broad their eligibility definition would be. It was questioned as to the time required to make such a change and if it would be timely enough to make an immediate difference. The need for public comment was presented as well as having to present the change for approval through OSEP.

Mary Ann Discenza stated that an amendment could be made to the present application to OSEP but that a 60-day public comment period would still be required. She further stated that based on the recent cost study by Karleen Goldhammer, that the change in definition would not have a significant impact on Virginia. It was determined that there was not a firm conclusion as to whether changing the definition of eligibility would help.

Frank Tetrick cautioned on making decisions if enough information was not available. It was determined that further information was needed. Members discussed the fact that the degree of delay was not tracked on those receiving services. It was decided that the topic of changing the eligibility definition would be forwarded to the Infrastructure Task Force for further consideration. The consideration of "Eligibility Determination" was placed on the Plan A list.

The consideration of “regionalization” then was presented. Jim Henson focused on the areas related to fiscal systems, council coordinators, child find and public awareness. Shirley reported that there is approximately one million dollars budgeted by localities in the area of Systems Components. She stated that the bulk of the money in the system is in Direct Services. She asked if regionalizing related to Systems Components could help to meet the immediate needs.

The following statements and concerns were expressed related to regionalization:

- The Infrastructure Task Force has discussed regionalization and expressed concerns related to local dollars in the system;
- No infrastructure exists for regionalization such as reimbursement or billing capabilities;
- Regionalization contradicts local level programs;
- Regional efforts may not get support for in-kind services;
- There will be a loss of the “local touch” which could effect child find;
- Many “local personalities” are involved within the local systems and regionalizations would effect that;
- Some CSB funds are only for their specific area;
- Concerns were heard by the Infrastructure Task Force but due to the deficit the potential for regionalization was continuing to be discussed;
- Would all components have to go regional or just certain components such as child find; public awareness; service coordination; family support; data; training; and transition;
- Budgeting for Systems Components has already been greatly reduced;
- How would this effect council coordinators;
- Do we need 40 local coordinators;
- How would the system function related to management;
- How could this be accomplished within a 9-month period;
- Is this realistic overall; and
- What about billing, utilization and monitoring.

Discussion continued related to council coordinators. Mary Ann stated that there are currently 33 local systems that are operated through the CSBs and 7 councils under other public entities. She stated that some council coordinators are part-time, some full-time and that some serve dual roles. The following comments were made related to council coordinators:

- Can we define what council coordinators should be doing;
- Coordinators in different localities have different roles;
- It is difficult to know what structure is more efficient;
- When the system began, it was established with local autonomy;
- Some localities just expanded their infant programs;
- Who is paying for the council coordinator;
- CoCoA had completed a survey previously related to council coordinators with the findings being that funding is different in localities as well as job duties;

- There is no correlation between the number of children served and the number of hours the council coordinator works;
- Eight to ten council coordinators are full-time; and
- How much money should the state commit for council coordinators and what should they be paying for.

It was expressed that private providers would support regionalization. The following comments were made:

- There would be a consistency with regionalization;
- Regionalization would reduce paperwork for providers;
- Private providers could attend one council meeting as opposed to many;
- Some Health Departments are set up regionally; and
- Inefficiencies would be reduced with procedures being implemented that are more efficient.

Discussion continued related to the 3% cap on the Administration line item within the budgets and the questions as to whether Council Operations could be capped. The feeling was expressed that this could hurt small localities and that the impact would be minimal in savings. It was restated that there is a need for consistency on how programs are operated.

Frank Tetrick shared that other programs are regionalizing and that Part C should take care in not being left behind. He stated that there is more focus from the General Assembly in supporting regional approaches. He asked if there were regions with commonalities and could these localities continue provider support based on those commonalities.

Mary Ann Discenza stressed that requests were being made to the state Part C office to take leadership. The need for consistency was also being expressed to the state. She stated that the Part C office needed to know exactly what and how much control the localities wanted to see from the state. Mary Ann expressed that "buy-in" and support from localities would be needed.

Jim Henson stated that many states operate under a regional approach and that the issue is "what would make sense right now" for Virginia. He stressed that the focus is on the immediate. He asked if there was a way to look at the one million dollars and recommend ways to bring that amount down.

The following suggestions were made:

- Limit the line item of Systems Components;
- Require localities to use only the state public awareness materials;
- Place caps on training dollars;
- Determine roles and funding for council coordinators; and
- With 1/3 of the dollars being local commitment, priorities must be determined.

The need for data collection was stressed. Discussion occurred related to the ability of local systems to report information and the importance of having data to support the needs and show efficiencies.

Jim Henson stressed the need to move forward in looking at the system and the issue of allocations. He stated that the group would be looking at the total system from entry through services. Consideration will need to be given to what changes can make a major difference. Jim also stated that allocations would be discussed with the need for a final judgment and conclusion on the methodology to be used for this upcoming year.

Jim began the conversation looking at entry into the Part C system and the initial evaluation. The question was raised as to whether savings could result from completing the initial evaluation in a center. The following comments, concerns and questions were expressed:

- Some areas are already doing evaluations in the center;
- Some areas do not have centers;
- Additional expenses may arise based on paying for transportation for the family to get to the center and for no-shows;
- Problems may arise from having preset teams;
- Concern about families receiving evaluations from one team and then services from a different therapist; and
- This may result in added costs for rural areas based on transportation.

Nancy Butts, a private provider from the Southwest, stated that evaluations in the center have been occurring in Roanoke for 6 months and that it is working well. She cited the following as the benefits:

- Therapists are at one location;
- Fewer therapists are needed with evaluations by specific disciplines are set at scheduled times;
- The IFSP is written following the evaluation which also serves as the Plan of Care;
- There have not been problems with transfers to other therapy agencies; and
- Therapists who are doing the evaluations are in agreement with the Part C service delivery approach.

The question was asked to whether there had been resistance from families or problems regarding transportation and how were situations handled if the child's needs were very intensive. Nancy stated that parents have not been resistant and that arrangements have been made through CHIPS, Medicaid, etc for transportation. She also stated that if the child's extensive needs made transportation difficult for the family, then the evaluation was completed at the home or designated location.

The topic of using existing evaluations and minimal disciplines was discussed. It was reported that many areas are using current, existing evaluations as part of the evaluation process as well as using special instructors for a second discipline. It was stated that while this is being done well in some areas and it is not in others.

It was further discussed that providers are unhappy with the inconsistency in the rate of payment for evaluations throughout the state. It was reported that some localities are paying a flat fee monthly per child. Jim asked if a capitation rate might be set by the state for evaluations and IFSP meetings. Entry services could be separate from other services. It was asked if this could be incorporated with the associated costs. The following concerns were discussed:

- Rates in some areas are very low;
- Some areas have no choice but to pay the providers higher rates or lose them;
- Some areas may lose providers;
- Providing Part C services is more costly to the therapists than providing services in the clinic to other individuals;
- Could arrangements be made for no-shows if the cap is lower than customary to which the response was that this could not be implemented; and
- Some localities have higher numbers of children with insurance than Medicaid.

Consensus from the group was that uniform payment for entry would be acceptable but should be looked at regionally. Additional research is to occur over the next few weeks.

Other comments related to potential savings included:

- If there were a consistency in meetings, billing, etc. this could cut down on some of the costs about being a Part C provider;
- Is there a difference is the cost effectiveness in the use of temporary service coordinators versus permanent service coordinators; (Jim Henson responded that there may be an initial savings but that there is later savings with the consistency of using a permanent service coordinator); and
- Many states contract with individuals just for point of entry.

Jim then focused the discussion on encouraging the implementation of the services document guidelines and conforming to a lower level of frequency and intensity. It was stated that there is no statewide system of collecting data to know what localities are actually doing. Shirley stated that ITOTS was intended to record this but that there was no base-line data.

Mary Ann asked if the group could agree on a tool to use for utilization review. She stated that this should be done in partnership with the localities. The group agreed to the need for utilization with it occurring in partnership with Part C providing the management and over site. This information would be a means of seeing how Part C dollars are being spent. It was stated that this would not be information that could be gathered quickly but that it would take time to set up a system.

The question was asked as to what type of goal was being established regarding frequency and intensity. It was stated that while there is a need for individuality, would it be possible to require that services that were in access of a set level would require review. The following were comments related to utilization:

- Part C needs to provided information as to the expectations;

- While there may be those children who need more intensive services, trends should be looked at;
- Some individuals need more training and support in order to implement the services guidelines;
- Could something be built into the system that as of July 1, 2004, there would be a need for a review if service levels were over utilized;
- If councils are not conforming then they could be cited;
- This wouldn't mean that a locality/provider would not be paid but that there needs to be a justification; and
- There is a need for data collection.

Frank Tetrick reported that many executive directors have stated that they could report on the frequency and intensity of the services that children are receiving. He stated that although this would take some work, that it was possible. Frank stressed that Part C could lose Federal funding if they could not show how the Part C dollars were being spent. He reiterated that the Lead Agency is responsible for gathering this information and that it could be tied to the future of the system. Jim Henson agreed that data must be provided and that the system must be able to show and to prove their position. The question was asked as to why the Phase II data system had not been developed. Shirley replied that there had been resistance due to the time and cost involved with establishing the system

It was determined that a guide should be established with a parameter set for the frequency and intensity for services. An instrument/tool for utilization review would be identified. Additionally, it was asked if some freezes could be placed on other data requirements while this was being initiated. Mary Ann stated that it could be checked into whether the state Part C office could do some of the data entry to reduce the demands. Shirley further stated that calls to localities would determine what localities could provide and that the calls could begin with the council coordinators.

Frank then added that in addressing the current situation, discussion should include engaging the Department of Medical Assistance Services (DMAS) regarding the rates set for providers. Shirley stated that efforts have been made to address concerns with DMAS and that other issues emerge. Frank stated that DMAS is also into cost containment and that it may be helpful to share with DMAS what Part C is putting into place for efficiencies.

Jim then brought forth the consideration of the "Primary Provider". Katy McCullough explained the concept of the primary provider as being the individual chosen to work with the family who can best meet the needs and concerns of the family. Consultation can occur but numerous therapists would not be working with the child on a regular basis. The following discussion occurred:

- The primary provider costs more to implement initially but saves later following training, mentoring and demonstrations;
- There is a need for team time that private insurance and Medicaid does not provide for;

- Is there still a professional barrier with the primary provider model viewed as professionally unethical;
- This model is not a barrier professionally at the federal organizational level but comes back to reimbursement concerns; and
- One of the major challenges is that we are trying to bring the medical model of services into a development model.

Jim then brought the consideration before the group as to whether IFSPs should be reviewed in three-months as a monitoring mechanism related to service provision. He further asked if this should be an IFSP team monitoring or a program monitoring. This was identified as returning to the frequency and intensity issue. The following discussion occurred:

- Initial frequencies may be higher with a reduction in services later;
- Some localities are already doing this with the council coordinator providing over site;
- Is this for monitoring and setting standards;
- Should there be an trigger for over site if the provision of services goes over a certain standard;
- It should be considered as to whether the frequency and intensity is justified based on the needs;
- The need for training is crucial;
- Care should be taken in saying that if the frequency and intensity is over a set amount, then payment may not be made;
- Part C needs to be explicit in explaining to the field that this is a significant change and should follow this with training;
- Thoughtfulness should be taken related to stress for staff;
- It is critical in how this is communicated and recognize that this change is a challenge;
- Would it be helpful to have something in writing to explain the current situation to families;
- It should be recognized that this is not just because of a reduction in funds but that this is best practice; and
- The Family Involvement Project could help in getting the information to parents.

Jim stated that the system must have accountability. The consensus was that there is a need for monitoring and over site and that this should occur in a 3-month time period. Follow-up should then occur for the outliers with enforcement.

The consideration of “Disbursement of the Part C Allocation” was then discussed. It was reported that based on the current state and federal dollars that there would be $9,044,704 available for disbursement to localities. Jim Henson pointed out the uniqueness of each local area and the recognition that this poses a challenge. As a starting point for discussion, Jim put forth the scenarios of allocating funds by the formula base method or by looking at population with possibly $1,000 being allocated per child. The following discussion occurred:

- We would want to consider growth in a locality;
- Anchoring this to the December 1 count and using the 8% increase across the state would help in predicting growth;
- Some areas have children coming in and out and the December 1 count is not necessarily a good predictor;
- We need to try to make this equitable;
- Does the formula give more based on being in a poverty area;
- The old CSB formula is used with extras added;
- The formula has not been revisited for a long time; prior to State Plan Option and is not based on the present population and funding streams;
- Is this the year to change the formula; and
- Could we use the 2003 base formula and then use the December 1 count for the remaining 3 ½ million dollars.

As members looked at a chart listing the potential allocation amounts, the question was asked as to why some localities were receiving larger cuts. David Mills explained that many localities had received one-time additional funds and that the amounts shown did not include any of those funds. Katy stated that eleven councils did not ask for additional one-time funds. Shirley reported that everyone had the opportunity to apply. Additional concerns that were expressed included:

- Cumberland, Dickenson, Valley and PD 14 have no other source of funding but Part C;
- The state needs to provide guidance on what localities should do; and
- The schools do not like growth to see growth in Part C because it eventually impacts them.

Members asked if it would be possible to see the annualized child count for the past three years. Additionally, it was requested that figures be provided showing the 29% cut across all localities. David produced many scenarios.

Tom Geib stated that when localities see cuts they would go to the statutes and say that the state is going to have to pay. He said that he needed time to process and think about the situation. Tom further stated that there is a need to wait until the budget approval so that the amount of money available will be known. He added that the contract would have to wait until there was more knowledge about the amount of money.

Shirley added that the contract would not go out until particulars are known about the funding. She added that the allocation amounts could be sent when decisions were made. Katy stated that a draft of the contract would be helpful.

Frank Tetrick then stated that there is a need to demonstrate that decisions were not made in isolation and that considerable thought was given to the situation and possible solutions. He recognized the need to share ideas and work out possible scenarios. Frank stated that David could title each of the different scenarios and email them to members for consideration.

Jim Henson stated that there had not been an opportunity to talk about a capitated rate. He recognized that members felt there was a need for another meeting. It was decided that the Plan B Committee would reconvene on Monday, April 5, 2004 at 10:00. Members can email comments related to the various scenarios or additional ideas. He stated that questions about capitated rates could be included. Jim reiterated that the next meeting would address the distribution of money and the issues related to cuts.

The following items were listed on the Plan A and Plan B Charts:

Plan A

- We don't know the impact of changing the definition of eligibility.
- Regions
- Data

Plan B

- Rate setting for evaluations
- Instrument to determine frequency and intensity
  - Guidelines and set standard
  - Parent awareness