



December 13, 2016

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Colorado Department of Health Care and Financing

cc: Jed Ziegenhagen, Director, Office of Community Living; Barbara Ramsey, Deputy Director, Office of Community Living; and Colorado Joint Budget Committee Members.

Re: Alliance Response to Colorado's Conflict-Free Case Management for Home and Community Based Services Implementation Plan

Alliance is a statewide, non-profit association of Community Centered Boards and Program Approved Service Agencies that provide services and supports to Coloradans with intellectual and developmental disabilities (IDD). Alliance has carefully considered the Department of Health Care Policy and Financing's (HCPF) plan to implement conflict-free case management (CFCM) in Colorado (the plan). The plan proposes to dramatically change the way that IDD services have been provided during the last 50 years. As such, Alliance submits for your consideration the following comments and questions in response.

Alliance's Guiding Principles for Case Management System Change

In an effort to help guide the state as it works to develop a plan, Alliance has created the following principles that we believe should guide policymakers as they make changes to Colorado's case management system.

- Options that allow maximum personal choice and self-determination should be prioritized.
- Systems must create healthy, sustainable, and safe services. Any changes to the system must not harm the people it is intended to serve.
- Stability and continuity of services must be maintained. Options that create the least amount of disruption to individuals and the system should be prioritized, and reduction of services and confusion should be avoided.
- Priority should be given to options that create simplification and standardization, are easy to implement, and are easy for individuals and families to navigate.
- Options that maintain longstanding community relationships, existing community partnerships, and local area planning efforts should be prioritized. Decision-making and support for persons at a local level should be maintained.
- Options that sustain specialized expertise in supporting persons with IDD should be prioritized. Options that dilute IDD expertise and services or advance a medical model of services should be avoided.

- Options that ensure the availability of the millions of local dollars (including mill levies) that help sustain Colorado's IDD system should be prioritized. Options that create a threat to the receipt of these funds should be avoided.
- A complete cost-benefit analysis should be conducted prior to any systems change to determine the best approach in terms of benefits in labor, time, and cost savings.

Comments on the Plan

The plan details a number of ideas that we could entertain and, possibly, even agree with. However, a significant amount of additional work must be completed before any of these ideas can be implemented. The plan proposes significant changes to Colorado's IDD system, yet most of its elements have not been analyzed in depth. We applaud the recognition of the need to conduct a fiscal analysis and examine community provider capacity, service limitations, and rates. We believe that these analyses, along with a community-impact study, must be completed before the plan can move forward. The results of these analyses will be critical to policymakers and stakeholders understanding the plan's impacts on the state budget, community providers, and, most importantly, individuals accepting waiver services. Given Colorado's existing funding constraints and the multitude of pressures on its already under-funded IDD service system, we have serious concerns about how these proposals would be funded without negative impacts on the people we support. Alliance hopes to work with HCPF to conduct these analyses and ensure that individuals with IDD are not harmed in the systems-change process.

Mill Levies and Other Local Funding

The largest deficit of the plan as submitted is its failure to adequately discuss the mill levies and other local funds from which at least nine CCBs and the individuals they serve currently benefit, amounting to nearly \$50 million annually that helps support Coloradans with IDD and their families. In some cases, these mill levies are tied to an organization's statutory designation as a CCB, putting these funds in jeopardy if that designation is eliminated or changed. The report fails to discuss the implications of, or solutions to, losing such a significant source of revenue to the IDD service system. HCPF and the Colorado General Assembly must address this issue in order to move forward with the plan for CFCM. This must be included in the fiscal analysis recommended in the plan.

Projected Timelines

We are concerned that the timelines presented in the report are not realistic, given the significant organizational and systematic changes discussed. Furthermore, while we believe that the relevant entities involved in implementing the plan must act in a timely manner, we caution HCPF against setting arbitrary timelines for the sake of compliance with a federal rule that many other states are also struggling to comply with. Certain elements and systems will have to be established before beginning to move large numbers of current waiver recipients to either new case managers or service providers. Rather than adhering to arbitrary deadlines, we believe that benchmarks should be identified for the transition process, and each step necessary must be complete before moving to the next. This will ensure people can be supported as they transition to new CMAs or providers.

Community Impact Study

In addition to the fiscal analysis mentioned in the report, we urge HCPF to conduct a community impact study to analyze the impacts of systems changes on community partners that currently rely on CCBs as their first point of contact when interacting with individuals with IDD and their families. These entities include school districts, law enforcement, human services, and mental health agencies, and other organizations that may be seeking IDD resources for people in their local communities. The study should consider what the impact will be on these entities if there is no longer a single point of contact in their areas to which they can turn for assistance.

Challenges for Rural Communities

In recent years, growth in Colorado's rural communities has been very slow, placing additional strain on the CCBs serving them. This is especially true since the implementation of statewide waiting list management (as opposed to waiting lists being managed within CCB catchment areas) because resources are disproportionately allocated to the more populated areas of the state. Currently, CCBs are the only entities providing waiver services in these regions, despite the fact that other service agencies could provide services there. This is because services are more expensive to provide in these areas (transportation across long distances, cost of living, and excessive health care costs play a role in many areas) and providers have difficulty achieving the economies of scale needed to balance these additional costs. As it is, CCBs are having difficulty staying afloat, even as the only providers in their catchment areas. Because there are very few new resources becoming available in Colorado's rural communities, it will take time for new providers to build up a sustainable presence in these communities. HCPF should thoroughly consider whether its rural communities meet the criteria for the rural exception articulated in the final settings rule. Specifically, HCPF should clarify the following:

- What evidence will Colorado's rural communities need to show in order to qualify for a rural exception?
- If Colorado is successful in getting a rural exception for parts of the state, how long will that exception be in place?
- What will the conflict-mitigation safeguards look like for agencies who meet the rural exception? Will these safeguards be similar to safeguards articulated in the current waivers?

If Colorado's rural communities do not qualify for the exception, alternative options should be considered, including, but not limited to, longer phase-in periods for implementation in these regions and geographic rate modifiers.

Early Intervention, State-Funded Supported Living Services, and Family Support Services

Similarly, the plan briefly mentions the need to address other services and programs that CCBs provide and administer, such as Early Intervention services, the Family Support Services Program, and State-funded Supported Living Services. The plan provides no information about how these programs might change, making it difficult for providers to envision the future delivery of these services. The importance of these programs cannot be overstated. They support more than 18,000 individuals and

families annually, with thousands more waiting for FSSP services, and a smaller number waiting for State SLS. Early Intervention services provide a significant return on investment for the state, as a number of the children who receive these services overcome their developmental delays and do not access costly special education services that they would otherwise need. The EI program has experienced a consistent growth rate of about 5-7% for the last several years, and federal program requirements prohibit waiting lists for these services. With community needs growing and the requirement to provide ongoing access to services, it is imperative that continuity of service be assured for this program. Moreover, service coordination and case management in EI are underfunded, and the economies of scale that CCBs currently have in case management are what make the program's operation feasible. When considering changes to the CCB role in case management, the impact on EI, FSSP, and State SLS must be carefully considered and included in the fiscal and community impact analyses.

Unreimbursed Transition Costs

A number of the plan's elements present significant costs to the system, without discussion of how these changes would be funded. These elements must be included in the fiscal analysis, including:

- Administrative and direct support costs will increase as CCBs support individuals and families to transition to new CMAs or providers. There will also be additional costs associated with developing communication plans and answering questions, and developing and maintaining systems to ensure that CCBs are not providing CM and services to the same individual at any time.
- The plan states that CCBs will play a critical role in ensuring that people with IDD do not experience gaps in services during this transition. However, it is unclear what that role will entail and the extent to which CCBs could incur unreimbursed costs for ensuring continuous service delivery during transitions.
- Creating independent, third-party entities to assist people in transitioning to new case management agencies will create a new funding requirement. Furthermore, we have not seen any evidence that this service will be needed.

Additional Questions

- The plan states that CCBs will be responsible, along with HCPF, for recruiting new CMAs and providers where needed. What will CCBs' responsibilities and liabilities be in this process? Playing such a role could put CCBs in a position of recruiting their competition in an open marketplace, and one could argue that having CCBs involved in recruiting new CMAs creates a new potential conflict of interest in cases where a CCB will continue to provide services to the individuals these CMAs may serve.
- When the plan discusses how individuals will be transitioned to new providers, it appears to suggest a structure outside of the normal Request for Proposals procedure currently used to solicit providers. Is this interpretation correct, and, if so, what is that process?
- The plan suggests that HCPF establish a date by which all new waiver participants must be enrolled with case management agencies that are conflict-free and suggests this could be as

- soon as July 1, 2017. Can HCPF unilaterally establish this requirement, or is legislative action required? How could such a short timeline possibly work for rural areas in which the CCB is currently the only available CMA for people with IDD? Will established benchmarks be different for new waiver enrollees than current waiver participants?
- What is the expected launch date of the universal case management system referenced in the plan?
- When will HCPF begin its fiscal analysis of the elements in the plan? What role will CCBs and PASAs play in that analysis?
- What will happen to the individuals that CCBs serve because they have taken on the role of providers of last resort? Will the state establish a safety net for these individuals, who are typically more difficult or costly to serve, and for which the CCBs may no longer have the means to serve? Similarly, what will happen to those individuals for whom CCBs have acted as the case management agency of last resort, at times providing case management without reimbursement?

Conclusion

In summary, we recognize that coming into compliance with federal conflict-of-interest requirements will require significant systems changes. Making these changes will require consideration of nuanced system structures and an understanding of the roles and responsibilities of all stakeholders necessary to implementing change. We urge HCPF to begin a thorough analysis of the elements proposed in its plan and to clarify the items identified in these comments so that stakeholders and policymakers can provide substantive feedback and prepare for the future of IDD services in Colorado. These analyses must be completed before implementation can occur to ensure continuity of services for the individuals and families supported by Colorado's IDD system. Alliance hopes to work with HCPF to ensure a thorough analysis of these impacts and to establish appropriate benchmarks for implementation. In addition, Alliance plans to submit additional commentary and recommendations to help guide HCPF and the General Assembly in the implementation of a plan for conflict-free case management.