

Joint Committee on Appropriations | DHS Briefing

May 21, 2024

Background | Situation to Date

- 1/2024: Legislative workgroup on Crisis Intervention and Co-morbidity
- 1/2024: Notification to DHS, CSP intent to discontinue Family Support, Agency with Choice service.
- 2/2024: DHS and Governor's Office engage with CSP Association on Crisis Services topic – workgroup meets monthly
- 3/2024: DHS began engagement with Alvarez & Marsal

Crisis Services/Continuum of Care | Update

- CSPs and families have raised the need for additional crisis response services.
- We are hearing three themes of need:
 - There is a need to support CSPs and direct support professionals to respond to times of crisis more effectively.
 - There is a need to establish stable service options for people with complex, often dual diagnosis needs.
 - There is a need for a comprehensive, coordinated approach to crisis response.
- In the past, we have used SDDC as our informal crisis response system, however, this is not a best practice and is not feasible.
- We know that through federal mandates, like Olmstead, we are required to support individuals in the least restrictive setting appropriate.
- We are committed to working along side our communities to develop a service system that can respond to people's needs across the continuum, including at times of crisis.

However, there does not appear to be a quick solution here, and we want to develop a comprehensive crisis response system that not only meets the needs of those in service today but continues to adapt to needs into the future.

Crisis Services | Next Steps

- Building higher-level capacity in the community as well as providing a robust crisis response system.
- Exploring models such as a crisis support team to assist providers on-site.
- Soliciting current and potential new providers for their input.
- Reviewing CSP input on state-level regulations.
- Working with A&M to bring their subject matter expertise and national perspective to not only assist in identifying options but vetting them as well.

We do not see an immediate, no-cost solution at this point, and the path forward may include a budget request during the upcoming legislative session.

A&M Engagement

Meet the A&M Team

A&M brings experience working with Departments of Health & Human Services and Developmental Disability Divisions across the nation, with recent relevant experience in South Dakota. Meet some of our team.



Erin Leveton – Project Executive

- 25+ years of experience in disability law and policy, including 7 years in state government
- Led the South Dakota Family Support 360 and Shared Living Assessment
- Expertise in person and family centered Medicaid Home & Community Based Services transformation, and stakeholder engagement
- Former Deputy Director DC Department on Disability Services, Developmental Disabilities and Vocational Rehabilitation Services
- Certified PROSCI change manager, Charting the LifeCourse coach, trained Project Manager



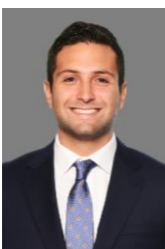
Shivani Patel – Project Manager

- 8+ years of experience in supporting Health and Human Services agencies build more effective shared service operations to improve service delivery, efficacy and outcomes, Experience supporting HHS agencies in peer states, such as Montana DPHHS
- Supported developmental disabilities system transformation in several states, including the implementation of an IT system, and the launch of common law employer self-directed services
- Specializes in financial transformation and innovation for public assistance agencies



Brian Allen – IRIS Workstream Lead

- 10+ years of experience supporting Health and Human Services agencies
- Expertise in Medicaid fiscal operations, policy / waiver transformation and implementing public assistance technology solutions
- Supported the launch and implementation of a developmental disabilities services platform in Maryland
- Project Management Professional (PMP) and Prosci® Change Management Certified



Ben Keschner – Analyst

- Experience in data collection and analysis, legislative and policy research, and technical writing
- Previously worked with a government-owned corporation to improve service delivery

Additional team members bring subject matter expertise and data analytics skills.

What Are We Working On?

We started our work on Agency with Choice, given the risk of service disruption for people and families. Next, we turned to the IRIS case management system, to understand why providers are struggling to adapt to the new system and what might help.

Assessment

Est. March to May 2024

Self Direction: Conduct interviews and listening sessions across DDD stakeholders, analyze participant data, and conduct peer and promising practice research to understand current program utilization and options for transition from Agency with Choice and scaling the Common Law option

IRIS: Conduct demo of system, conduct listening session and interviews with providers and RSM, review known defects and project schedule, understand development to date and future release

Planning

Est. April to June 2024

Self Direction: Evaluate options for short and long-term solutions for Agency with Choice and Common Law employer model; develop supporting communication and change management strategies

IRIS: Evaluate and develop plan for short-term stabilization, advise DHS on potential changes to system; develop supporting communication and change management strategies

Implementation

Est. May to February 2025

Self Direction: Manage implementation of DDD agreed-upon solutions

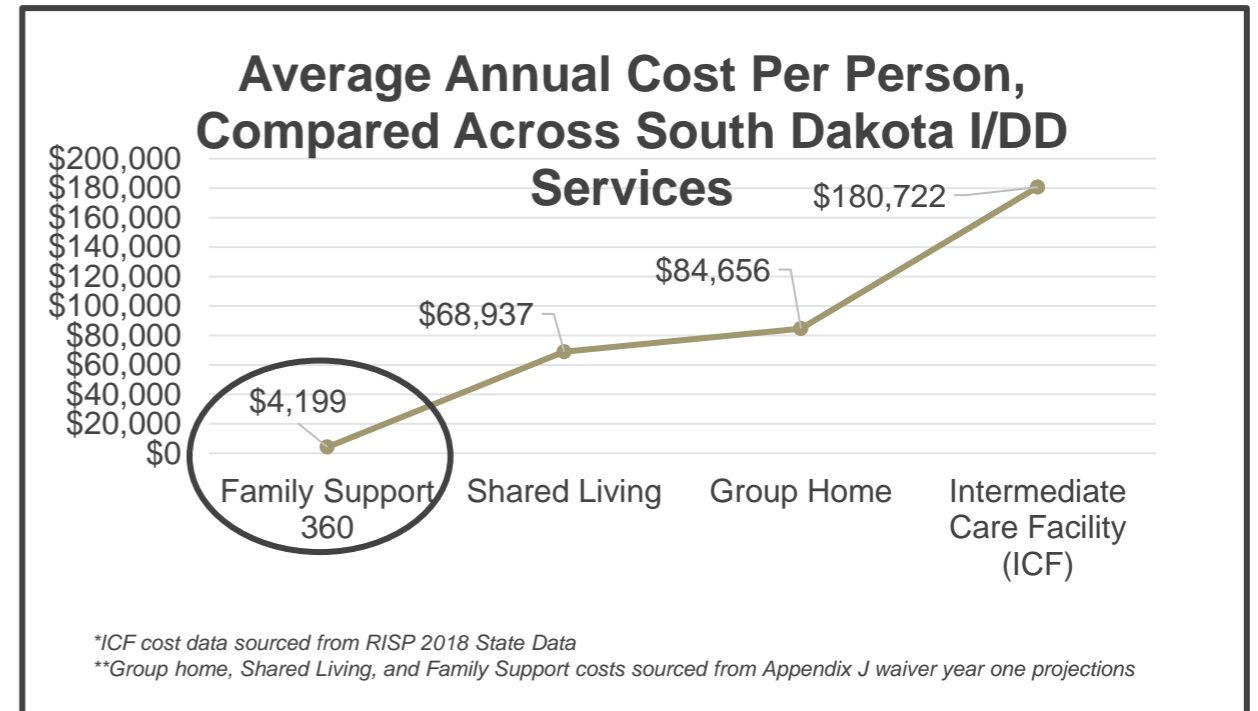
IRIS: Manage implementation of DDD agreed-upon solutions

Agency with Choice

Agency with Choice | Background

Family Support 360 is an individual and family support waiver, that helps support people with intellectual and developmental disabilities to live in the community with their families.

- The Family Support 360 Home and Community-Based Services (HCBS) waiver is a **cost-effective** way to support people with intellectual and developmental disabilities (I/DD) and their families to get the supports they need to live at home.
- The Family Support 360 program is **self-directed**. This means that the people and families decide how, when, and from whom their services will be delivered. The model supports person and family choice and control to allow for flexible service delivery.
- More than **800 people with I/DD** and families self-direct services, employing more than **1,200 workers**. Five community support providers currently enable them to self-direct.
- The five **Community Support Providers (CSPs)** that support Agency with Choice **gave notice in January that they would stop providing this service**, with varying end-dates throughout this year. The first is August 31, 2024.
- Without a CSP, people and families cannot make payment to their direct care workers and could lose access to services. Likewise, the workers could lose their jobs.



Agency with Choice | Our Approach

We started our work on Agency with Choice, given DHS's goal to minimize the risk of service disruption for people and families .

- A&M began partnering with DHS/DDD in early March 2024. Collectively, we decided to focus our initial attention on understanding how DHS/DDD and its Agency with Choice network hit an impasse and exploring ideas for a stable and sustainable solution.
- **Discovery:** A&M included interviews with DHS staff, the five Agency with Choice providers, Family Support Coordinators, and family members. We reviewed Agency with Choice contracts, the Family Support 360 waiver, and other guiding documents.
- **Peer & Promising Practice Research:** We did a national scan to understand how Agency with Choice and other self-direction models operate in other states, reviewed promising practices, and benchmarked South Dakota against those to understand what was important to continue and where there are opportunities for improvement.
- **Exploration:** Next, A&M and DDD identified possible options for self-direction, including working with the current providers, exploring local and national providers, and expanding the Common Law pilot.
- **Communications:** Throughout, it was important to communicate with the people DDD supports and their families, employees, and Family Support Coordinators, to keep them informed and hear their feedback. We built upon the successful town halls and Family Support Coordinator meetings to share information as it became available, answer questions, and hear from people.
- **Change Management:** Finally, we knew that change was coming to Agency with Choice. We began using PROSCI change management to help prepare people, and especially Family Support Coordinators, for change.

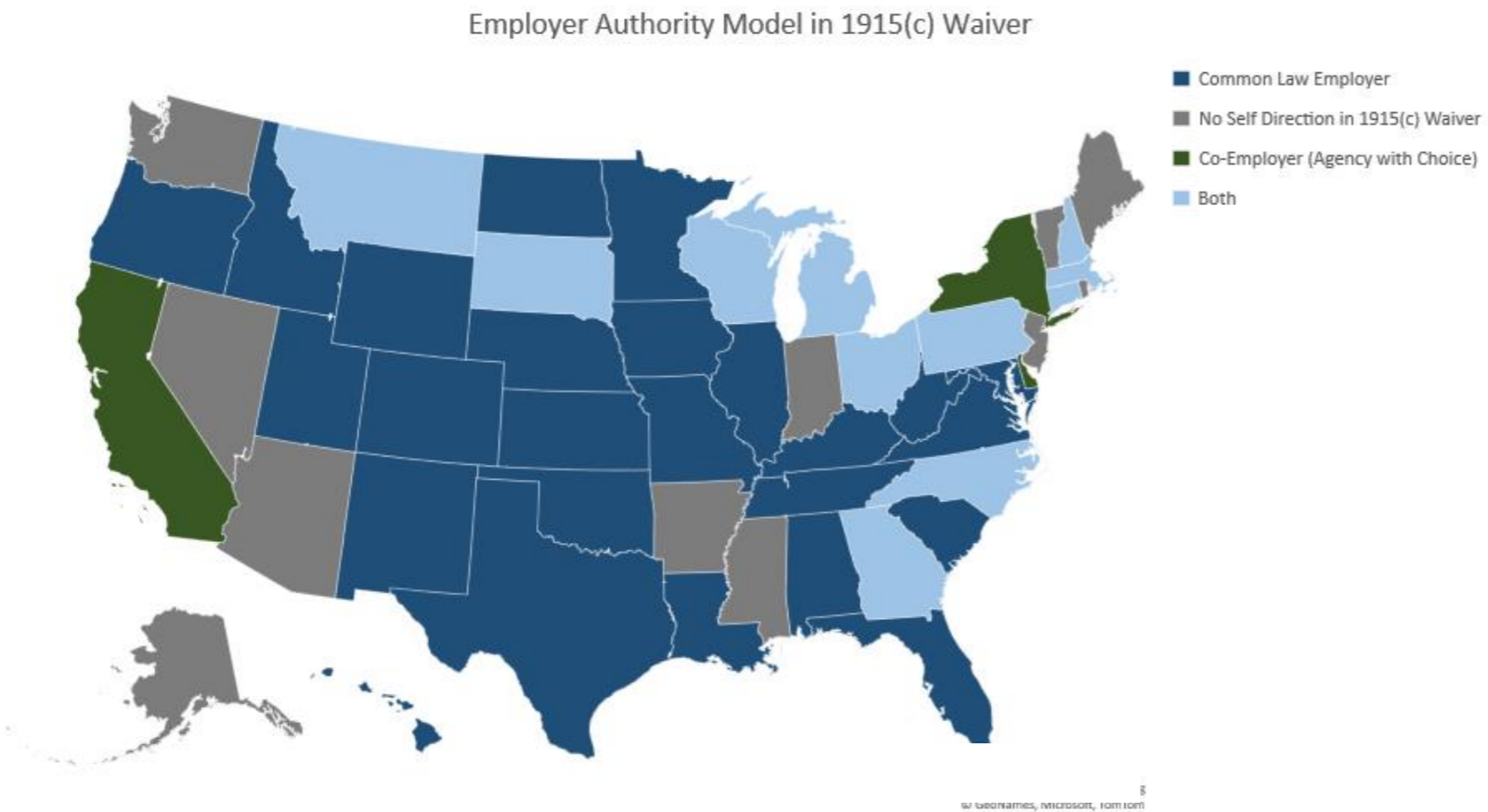
Agency with Choice | What Did We Learn?

Family Support 360 has two options for people to self-direct, Agency with Choice and Common Law. Most people self-direct through Agency with Choice. The providers who support this have all given notice that they intend to stop providing this service.

- South Dakota has a **strong history of family support**, with the first family support waiver in the country and being one of the first states to adopt self-direction and Agency with Choice. Over time, the waiver moved from serving only children to adults. People and families want the option to receive services in their homes.
- In **Agency with Choice**, people and families select a worker or workers who are jointly employed (or co-employed) by them and an agency, here one of five Community Support Providers (who also provide services within the Community, Hope, Opportunity, Independence, Careers, Empowerment, Success (CHOICES) comprehensive waiver program). The agency provider is the “employer of record,” legally hiring and firing the worker, and managing payroll, taxes, insurance, and benefits. The person and their family supervise the worker day-to-day, including training, setting their schedule, and setting tasks.
- SD operates a model of Agency with Choice that gives more autonomy than is typical to people and families around selecting workers and setting their wages. This creates **risk for the Community Support Providers** who are hiring workers whom they may not have even met.
- Further, SD **pays less than the national average** for this service, with a range of approximately \$43 - \$116 per member/ per month (PMPM); with the national average around \$170 PMPM
- **Provider concerns:** While the Community Support Providers continue to express concerns over the risks of providing Agency with Choice supports, the breaking point seems to be the **changing federal landscape**. First, there are obligations under the Employee Retirement Income Security Act (ERISA) which mandates that a part-time employee who works 1,000 hours/year must be able to participate in employer retirement plans. Currently providers limit employees to 20 hrs./week to avoid this obligation. Next, the new SECURE Act 2.0 requires that long-term part-time employees be allowed to participate in a company’s plan after working at least 500 hours for two consecutive years. This change is effective starting with the 2025 plan year.

Agency with Choice | National Scan of Approaches to Self Direction

A&M has reviewed approaches to self-direction management in all 50 states. Common Law is the most utilized approach nationally.



Notable Observations

- Only three states (CA, NY, and DE) document their Employer Authority model as being Agency with Choice only in their Supports waivers.
- CA and NY both offer a tiered rate to their AWC providers.

Our Approach

- A&M hand selected a DD waiver from each state to use as our comparison document. We prioritized waivers developed entirely for self-direction programs, Supports Waivers, or Comprehensive Waivers (if the others were not available). Some states do not have DD-specific waivers or do not have self-direction programs.
- A&M used Appendix E-2-a-i “Employer Authority Model” to identify a state as operating with Agency with Choice, Common Law, Both, or Neither.

Notes: The information included in this map is reflective of states’ selections in their Waiver application found on the CMS website as of March 2024. Source: [State Waivers List | Medicaid](#)

Agency with Choice | What Did We Explore

All possibilities were on the table as we looked to options to provide stable and sustainable supports for people families to self-direct FS 360 services

Current Agency with Choice Providers

Explore interest and understand barriers

New Provider

Look across long term services and supports to identify a potential provider, and identify providers who have deep experience with Agency with Choice.

Shared Living

For some families, Shared Living might be a good alternative to meet their needs

Common Law Pilot

Expand and extend the contract for the common law option for self-direction

Common Law Comms

Help families and Family Support Coordinators learn more about this option

Integrated Supports

Partner with the SD Supporting Families Community of Practice to help families plan for summer using integrated options

Agency with Choice | Why is a Long-Term Solution Taking So Long?

The process to find, negotiate and contract with a new Agency with Choice provider requires multiple steps. We are making good progress. We have now selected a potential new national vendor, gotten budget approval, and are negotiating contract terms.



- ✓ Explore options to continue Agency with Choice
- ✓ Meet with current providers
- ✓ Meet with potential new providers
- ✓ Identify potential new provider
- ✓ Develop rate
- ✓ Get budget
- Make needed changes to the Agency with Choice model - for example, eliminate the 20/hour per week cap.
- Develop contract terms and sign a contract with the new vendor
- Update the waiver (notice, public comment, CMS approval)
- Get federal approval for waiver and funding
- Sign up provider

Key

- ✓ Completed
- In progress
- Not yet started

Agency with Choice | Partnering with People DDD Supports and their Families

Throughout the transition, DDD has offered opportunities for feedback from people and families. This feedback is an important input into the work to select and contract with a new vendor. However, the time constraints of implementing a solution without service disruption means that re-envisioning Agency with Choice in SD will be a two-part process.

Step One (2024): Find a **stable and sustainable solution** for Agency with Choice.

Partnering with People and Families

- We supported DDD to do surveys for people, families, and companion workers; hold monthly townhalls with options for anonymous feedback and questions; populate a new AWC website; and launch a new family workgroup. A listening tour and public comment on the waiver amendment is forthcoming.
- We heard that people and families wanted the solution to include a new option for AWC that **ends the 10 or 20 hour/week cap** and the limitation on hiring providers. Families talked about the importance of the AWC provider coordinating and sharing information with their Family Support Coordinator, so that the Coordinator could help them self-direct.
- This input will be included in the Scope of Work with the new provider.

Step Two (2025): Work with families to continue to **modernize and transform** Agency with Choice.

Partnering with People and Families

- DDD has committed to families to continue partnering on the future of Agency with Choice.
- We will support DDD to continue the town halls and listening tours.
- This will be an opportunity to re-set the family workgroup.
- There will need to be a new waiver amendment to **add choice of providers** for people and families and **implement any needed changes** based upon family feedback about their experiences.

Change Management

Family Support Coordinators and families are advancing through the Change Management cycle.

- Families have identified that their Family Support Coordinators are key to helping them understand and be ready for change.
- Family Support Coordinators also needed support to be ready and help families plan.
- We did change readiness surveys and then supported DDD to lead a series of weekly trainings to help share information and build capacity.
- In 5 weeks, we saw increased readiness in Family Support Coordinators to help families.
- We will continue to use change management principles and practices to help support people and their families, employees, and Family Support Coordinators prepare for the changes ahead.

How DDD is Building Readiness

- ✓ Held weekly FSC meetings to reinforce learning on topics important to the transition
- ✓ Weekly opportunities for Q&A, including anonymous options so that FSCs can ask anything
- ✓ Hosted townhall meetings
- ✓ Development and distribution of materials to reinforce learning

Improved Readiness

We asked Family Support Coordinators in an anonymous survey, how ready they felt to talk with families about

- The Common Law option: readiness increased from **2.6 to 3.3** out of 5 possible points
- Shared Living: readiness increased from **3.1 to 3.6** out of 5 possible points
- Integrated Support: readiness increased from **2.9 to 3.6** out of 5 possible points

DDD will continue to support Family Support Coordinators to have families navigate through this transition.

Agency with Choice | Next Steps

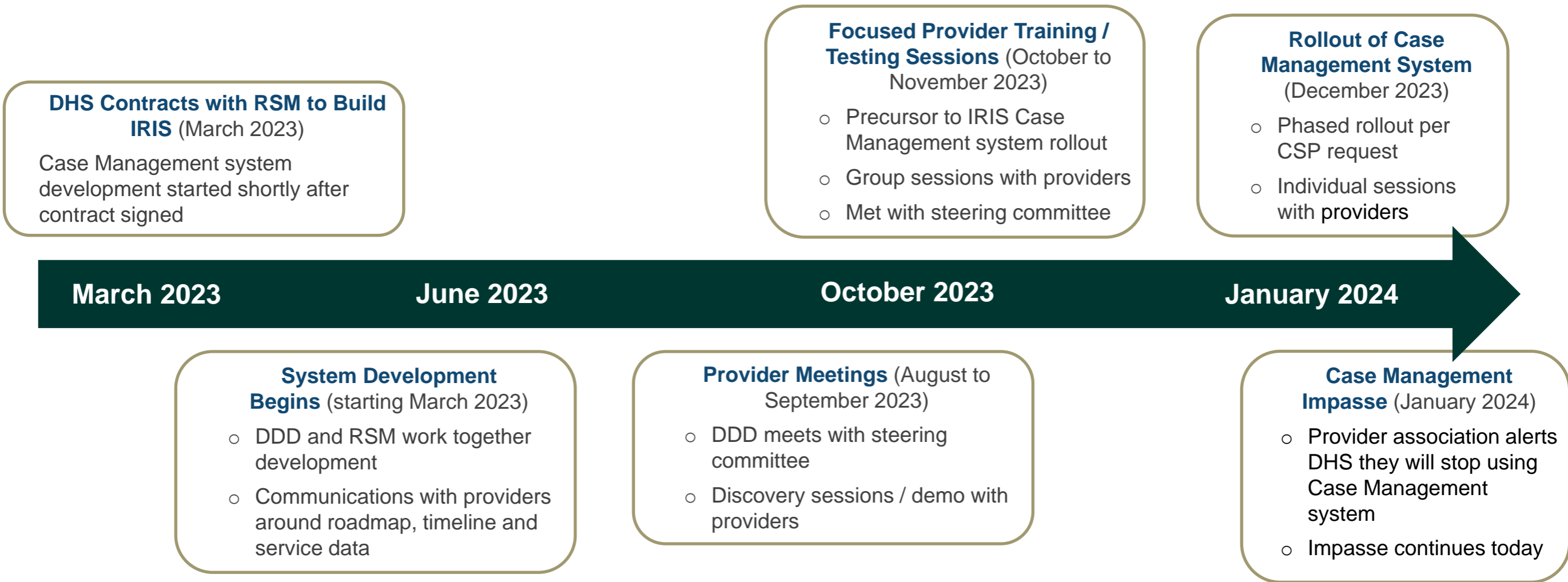
More work is required to reach a stable and sustainable solution ahead of the first Agency with Choice provider ending their contract on August 31, 2024 to prevent disruption for people and families.

- ❑ **Amend the Family Support 360 waiver:** Changes are drafted and have been submitted to Medicaid for review. Next step is public notice and comment, then submission to CMS to kick off their review process, which takes a minimum of 90 days. (Ongoing)
- ❑ **Contract with the New Provider:** DHS is currently in contract negotiations with the new vendor, working both on scope of work and terms and conditions. (Ongoing)
- ❑ **Medicaid Administrative Claiming:** Understand what changes may be needed to seek federal financial participation for the new vendor. Currently reviewing the Cost Allocation Plan. (Ongoing)
- ❑ **Communications:** Continue to create opportunities for bi-directional information sharing between DHS/DDD and the people they support, their families, advocates, and providers. (Ongoing)
- ❑ **Partnership:** Partner with the Agency with Choice workgroup to advise on implementation. The first workgroup meeting is May 22.
- ❑ **Change Management:** Continue to build readiness for the changes coming to Agency with Choice. DHS/DDD does this through the weekly Family Support Coordinator meetings, monthly family town halls, and other communications. The new workgroup will also advise on how to best support people, families, and their employees for this change. (Ongoing)
- ❑ **Transition:** Transition people and their employees to the new vendor. Start with people using LifeQuest who are facing the August termination date. (Est. August and November 2024)
- ❑ **Modernize and Transform:** Once the new model has stabilized, begin work with people and families to understand their experiences with the new provider, their vision for the future of FS 360 and Agency with Choice, and begin the waiver amendment process. (2025)

IRIS Case Management System

IRIS | Background and Timeline

DHS contracted with RSM to create a Case Management (CM) and Service Authorization system to support providers and other stakeholders. After an initial rollout, providers alerted the department they would no longer use the CM system in January 2024.



IRIS | Our Approach

Although we initially spent the bulk of our time on Agency with Choice, we did start work on the IRIS Case Management system in March 2024, given DHS's goal to find solutions that promote adoption of the Case Management system and overcome the impasse with providers.

- We started our work with an open mind, aiming to understand how DHS/DDD hit an impasse with the provider community and to explore ideas to overcome their concerns and promote adoption of the IRIS system.
- **Discovery:** A&M interviewed DHS staff, the department's chosen technology vendor (RSM), and ten providers. We reviewed past communications between the department and the provider community, training materials, and IRIS manuals. Through our interviews, providers prioritized their top issues with the system which gave our team a basis to work from.
- **Peer & Promising Practice Research:** We have begun comparing policy and development decisions within IRIS to several states that underwent similar system development including North Dakota, New Hampshire, Maine, Maryland, and Montana. We also worked with RSM to schedule a demo of their Hawaii product to South Dakota providers to give them a clearer vision of IRIS.
- **Exploration and Project Planning:** Next, A&M worked with DDD and RSM to separate provider issues into those that were system-related from those that dealt with policy decisions. We have created status updates with each issue and are using this as a basis for our strategy to promote adoption of the Case Management system.
- **Communications:** Throughout, it has been important to keep the provider community informed and hear their feedback. We have presented at both the April and May CSP of South Dakota association meetings. We have also planned two new touchpoints with providers – a demo of the Hawaii IRIS system in late May and an update of our work in late June.
- **Change Management:** Finally, we know that the developments with IRIS coupled with a new rate methodology mean that the provider community is undergoing a lot of changes. We plan to use PROSCI change management to help the provider network adapt to these changes.

IRIS | What We Heard from Provider Interviews

In April, A&M interviewed ten providers and asked for feedback from the CSP Association. We compiled our issues and are now reviewing.

We heard that the providers want:

- Vision of completed system (lack of understanding of what finished IRIS looks like)
- Better communication (need to understand what's next)
- Improved training (staff felt unprepared when system rolled out)
- System should integrate provider operations and be easier to use
 - Case notes require too much effort and are difficult to navigate in system
 - More flexibility and transparency required for service change requests

What We Are Doing Next?

- DDD and A&M are collaborating with system vendor to understand the current state on issues providers have raised and plan for next steps
- Determine root cause for issues – for each, is it a technology issue, policy issue, or both?
- Conduct Hawaii demo to provider a tangible example of an end-to-end system for a statewide developmental disabilities program
- Research peer and promising practice states to understand approaches within their current systems

IRIS | Next Steps for Provider Engagement

A&M / DDD continue to engage the CSP association – the next meeting will be the Hawaii demo followed by a more robust update in late June.

Provider Interviews (4/3 - 4/10)

Met with 10 providers to:

- Understand their concerns with system
- Understand past collaboration with DDD and system vendor

Therap Interviews (4/26 – 4/30)

- Met with providers to discuss functionality used in Therap
 - Dakotabilities
 - LifeQuest
 - Aspire

Virtual CSP meeting (6/27)

- Share takeaways from Therap interviews
- Discuss status and next steps on provider issues
- Get feedback on path forward ("Restart" strategy plan)

April 2024

May 2024

June 2024

April CSP Meeting (4/17)

- Reviewed provider concerns
- Defined next steps / outcomes (vetting provider concerns, scheduling Hawaii Demo)

May CSP Meeting (5/9)

- Discussed outcomes from prior CSP meeting
- Discussed progress from April CSP meeting
- Discussed next steps / June CSP Ad Hoc meeting

May Ad Hoc Meeting (5/29)

- Hawaii Demo
- RSM to finish over next two weeks

