

## Delaware Initiates Individual Rate-Setting Program



The Delaware Division of Mental Retardation Services (DDDS) rolled out a resource allocation and reimbursement structure last year that is based on the particular needs of each person with developmental disabilities and empowers them to

choose their own services and service providers.

The new structure also rectifies inequities built into traditional reimbursement structures – such as the one previously used in Delaware as well as in other states – that are based on subjective negotiations instead of a standardized, equitable approach to assigning public resources to pay for services and supports.

Last summer, the Delaware Joint Finance Committee fully funded the agency's *Individual Rate-Setting Program* by appropriating an additional \$3.4 million state dollars to pay for rate adjustment for service providers and service recipients who already were part of the state's service system before the new rate-setting program was initiated.

**Program Design.** DDDS uses an adaptive assessment instrument, the Inventory for Client and Agency Planning (ICAP), to identify the needs of each individual receiving services. This information is used to determine the level of the person's service needs and is translated into a standardized reimbursement rate schedule for all individuals receiving services as well as all service providers.

Among the unique features of the new rate-setting program are:

- It's designed to allow individuals to have a portable rate which empowers them to choose their respective providers from throughout the state.
- Providers are accountable for each participant's satisfaction with services/supports that are

based on the needs of each person.

- Providers receive fair and equitable reimbursement that is consistent among all service providers.
- Reimbursement rates are based on objective criteria.

**Issues to Consider.** In instituting the new rate-setting system, DDDS officials discovered that they had to keep the following critical considerations in mind:

Political Will: participants in the process must agree to abide by the principles of sharing and cooperation in order to build a fair, equitable rate-setting process. State agencies leading such an initiative must clearly, honestly, and consistently inform all parties of the impact of proposed changes in the rate-setting methodology. During this process, some agencies and some individuals may either gain or lose existing resources. The concept of managing "winners and losers" is critical to the success of establishing a fair and equitable process.

Respectful Pace: Implementation needs to occur at a pace that allows people, families, and providers enough time to adjust.

Sound Technology: The science of the standardized rates and individual resource authorization criteria must be data-based, as well as tested by common sense. All technical aspects must be transparent to all stakeholders and open to discussion and change.

**FMI:** To learn more about Delaware's Home and Community Based Services Individual Rate Setting Program, contact Valerie J. Smith, DDDS Chief of Administration, at (302) 744-9600 or [valerie.smith@state.de.us](mailto:valerie.smith@state.de.us). ■