



**Delaware Health  
And Social Services**

**Office of the Secretary**

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**MEMORANDUM**

**TO:** The Honorable Melanie G. Smith  
Chair, Joint Finance Committee

The Honorable Harris B. McDowell  
Vice Chair, Joint Finance Committee

**FROM:** Rita M. Landgraf *RML*  
DHSS Secretary

**DATE:** March 31, 2015

**SUBJECT: DIVISION OF DEVELOPMENTAL DISABILITIES (DDDS)  
QUALITY WORKING GROUP REPORT – APRIL 2015**

Per the Fiscal Year 2015 Operating Budget Act (Senate Bill 255, Section 176), attached please find the report from the DDDS Quality Working Group.

If you have any questions regarding this report, please do not hesitate to call me.

**Attachments**

**Pc:** Ann S. Visalli, Director OMB  
Michael L. Morton, Controller General  
Henry Smith, III  
Kevin F. Kelley, Sr.  
Kimberly Reinagel-Nietubicz  
Rebecca Reichardt  
Jane Gallivan



DEPARTMENT OF HEALTH AND SOCIAL SERVICES



DIVISION OF DEVELOPMENTAL DISABILITIES SERVICES

QUALITY WORKING GROUP REPORT

APRIL 1, 2015

DIVISION OF DEVELOPMENTAL DISABILITIES SERVICES  
QUALITY WORKING GROUP  
APRIL 1, 2015

The Division of Developmental Disabilities Services (DDDS) Quality Working Group was established by the following Epilogue language from the Fiscal Year 2015 Operating Budget Act:

Section 176. The Department of Health and Social Services, Development Disabilities Services (35-11-00) is hereby directed to work with the representatives as listed below to plan for the development of additional quality standards for providers of home and community-based services. After the development of these quality standards, the group shall begin to design a program for the implementation of the quality standards.

The Working Group shall consist of the following members:

1. Two representatives of the General Assembly as appointed jointly by the Chair and Co-Chair of the Joint Finance Committee;
2. The Division Director for the Division of Developmental Disabilities Services or his or her designee;
3. The Director of the Office of Management and Budget or his or her designee;
4. The Controller General or his or her designee;
5. Up to five (5) additional members from the public appointed by the Chair and Co-Chair of the Joint Finance Committee;
6. The Executive Director of DeLARF or his or her designee;
7. A representative from Easter Seals of Delaware;
8. A representative from Autism Delaware;
9. A representative from Chimes Delaware;
10. A representative from Delaware Families Speaking Up; and
11. A representative from The Arc of Delaware.

The Working Group will report on its findings to the members of the Joint Finance Committee (JFC) no later than April 1, 2015. The Joint Finance Committee will continue to review the rebasing of the DDDS Direct Support Professional rates from the January 17, 2014 report on *Rebasing the DDDS Direct Support Professional Rates* after the development of the quality standards and implementation plan.

## DDDS Quality Working Group Participants

Rep. Melanie George Smith*	Rep. Debra Heffernan*
Jane Gallivan, DDDS*	Marie Nonnenmacher, DDDS
Brian Hall, Autism Delaware*	Verna Hensley, Easter Seals*
Gail Womble, Parent*	Kimberly Reinagel-Nietubicz, CGO*
Laurie Nicoli, Parent*	Pat Maichle, DD Council*
Teesie Bonk, Sibling*	Micki Edelson, Parent*
Debra Miller, Chimes*	Thomas Cook, DelARF*
Carol Kenton, Parent*	Rebecca Reichardt, OMB*
Stevie Tull, Self-Advocate*	Steven Tull, Parent*
Terri Hancharick, Governor's Advisory Council*	Terry Olson, The Arc of DE*
Frann Anderson, DDDS	Gloria Glut, Parent
Kim Siegel, Lt. Governor's Office**	Jane Shuler, Easter Seals
Gary Cassedy, Easter Seals	

\*Working Group Members

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### Mission Statement

The members of the DDDS Quality Working Group created and approved the following Mission Statement:

The mission of the DDDS Quality Working Group is to establish meaningful, objective and measurable provider quality performance standards which:

- ❖ Promote a focus on each individual served, their lifestyle choices, their rights, their growth, and their pursuit of happiness;
- ❖ Provide each individual and their involved guardian/family with the comparative performance data needed to effectively assist them in making informed choices in selecting providers; and,
- ❖ Become the standards upon which provider funding and performance reimbursement incentives may be based.

### Guiding Principles

- ❖ Transparent Process
- ❖ Standards to Enhance Pay of Direct Support Professionals ( DSP) and Supervisors
- ❖ Consumer Rating Abilities (for transparency)
- ❖ Enhance Quality without Detracting from Quality Direct Services & Supports
- ❖ Strengthen Collaboration
- ❖ Expand & Enhance Data-Based Empirical Knowledge

The first meeting of the Quality Working Group was convened by Representative Melanie George Smith on September 18, 2014. Additional meetings were held on October 16, 2014; December 18, 2014; February 6, 2015, March 16, 2015 and March 23, 2015.

At the first meeting, Representative Melanie George Smith began with a discussion regarding the legislative intent of the Epilogue language that established the DDDS Quality Working Group. In recent years, representatives from the DDDS community have reached out to legislators expressing the need to support providers and DSPs by increasing reimbursement rates as the increases have not kept up with market rates. The legislative branch began by requesting that a study be completed to determine what the financial costs would be to rebase reimbursement rates to current market levels. In April 2014, the Department of Health and Social Services-DDDS released the Fiscal Year 2014 Report: *Rebasing the DDDS Direct Support Professional Rates* to the General Assembly. The report indicated that \$37 million dollars was necessary to adjust reimbursement to achieve current market levels. At the time, the State share was indicated to be \$17 million dollars. In an effort to begin to rebase the reimbursement rate, the JFC began by allocating \$1,169.9 to begin the first phase of adjustments based on the report provided (to be matched with federal funds).

Along with the additional funds, the JFC requested this Working Group be established to help create a system that would help develop a method for conveying quality measures and assessment information to the public for decision making. The intent of the Committee is to ensure that adequate quality measures are in place to ensure a level of service to match the increase in reimbursement rates. It is the hope that combining increased quality standards with adequate financing will result in a system that provides appropriate levels of quality support for individuals. Therefore, the DDDS Quality Working Group was formed via the State Budget Epilogue language to develop quality standards and implementation plan. The intent is to use the collective experiences within Working Group to pull together and further develop what Delaware's DDDS quality system should be and how to move the system to achieve those goals.

The meetings of the Quality Working Group focused on two primary topics: Quality outcomes and rates for the services.

### Quality Outcomes

The Quality Working Group explored the multi-faceted definition of quality as it relates to supportive services for individuals with developmental disabilities. The group identified the quote from John F. Kennedy, Jr as co-founder of *Reaching Up* as significant:

*“Quality is defined at the point of interaction between the staff member and the individual with the disability”.*

The Quality Working Group discussed nationally recognized processes such as CARF, uSPEQ, Council on Quality Leadership (CQL) and University Of Minnesota’s Direct Support Professional (DSP) standards.

The Direct Support Professionals, caregivers, family members, self-advocates and providers each have unique insight into what is necessary on a day-to-day basis to improve quality (i.e. higher salary, supervision, training, etc.). The group discussed seeking input from:

- Direct Support Professional
  - Middle Management
  - Senior Management
- Caregiver
  - Primary caregiver
  - Family member of individual outside the home
  - Family member of individual inside home
  - Paid family member of individual inside home
- Individual (self-advocate)
- Providers

Before creating any additional survey or data collection process, The Quality Working Group asked to review what was currently in place.

DDDS currently collects data from a variety of sources. This data is sorted into performance measures in order to provide an overview of the system and to comply with the federal government’s requirements for Home and Community-Based Services (HCBS). Over the past two years, DDDS has begun to compile this data into a system

called “Div-Stat”. The reporting format allows DDDS to monitor its performance and compliance with the CMS quality outcome measures for the HCBS Waiver.

DDDS presented the work of the Office of Quality Improvement and described the standards and surveys used, survey process, follow-up and data collection. DDDS has re-engaged with the National Core Indicators Project which is a national survey currently being utilized by 45 States and some foreign countries. Once Delaware has fully re-engaged in NCI, the survey will provide both individual and family feedback about their experience with the DDDS system as well as satisfaction with the expected outcomes of their services.

The Working Group discussed creating a website where individuals and their families could post comments about their experiences and satisfaction with the services they receive. This would not be a sole measure of quality but would be a useful tool for individuals and their families.

Development of comparative data based on standard, measureable quality outcomes that could be published in a ‘report card’ format on the DDDS website would be a very valuable tool for individuals and their families when selecting a provider agency. The Working Group expressed interest in continuing to participate in the development and prioritization of quality outcome measures. The Working Group also recognized the need to develop outcome measures that are meaningful and consistent.

DDDS has done some limited research on what other States are doing to provide a public provider agency rating system. Information was shared with the group about Oklahoma and South Carolina.



## Rates

The Working Group discussed that rates are typically valid for a three-year period, and may need to be refreshed or require periodic reviews to stay current. In the current Governor's recommended FY 2016 Budget, the funding for the increase effective January 1, 2015 for selected rates is annualized. No other rate increases are funded. The study *Rebasing the DDDS Direct Support Professional Rates* submitted last year identified updated current cost components of providing services, given many costs and quality mandates have increased since the rates were developed in 2004. The original study that created the rates in 2004 recommended that the rates be rebased every three years.

The Working Group shares an underlying assumption that if provider agencies are fully funded it will result in higher quality services. This is based on the premise that if the agency is fully compensated it will provide higher wages/benefits and provide more supervision, training and oversight.

The Working Group also believes that a continuous quality improvement process must be put in place to assure that quality is, in fact, improving. The results of the quality improvement process should be made publically available so that individuals and their families can make an informed choice about the services they receive. It was agreed that a transparent process to identify measurable and expected outcomes is essential. Once expected outcomes are established, measurable quality standards will be developed.

The Centers for Medicaid and Medicare Services (CMS) must approve all rate methodologies for HCBS Waivers. Currently, the HCBS Waiver is a fee for service payment system, with all provider agencies billing at a published rate for a specific service. This is CMS's preferred rate methodology for HCBS programs. A major system redesign would need to be completed in order to move toward an incentive-based reimbursement system that pays for outcomes. Having a common set of outcome measures and solid data collection for those measures is only one step toward moving the entire waiver program to a potential new design and payment methodology. This type of service system transformation and payment redesign would take several years to accomplish and must be approved by CMS.

It was expressed that creating the quality outcomes system may take a few years to establish and validate. The *Rebasing the DDDS Direct Support Professional Rates* report submitted to the Legislature two years ago identified that services are currently underfunded. Linking the quality outcomes project to any future rate increases could create a greater gap in viable rates for current services impacting the lives of the individuals served as well as the availability of services.

## Recommendations

1. The Quality Working Group will continue to meet in order to create and prioritize measureable outcomes for all services included in the *Rebasing the DDDS Direct Support Professional Rates* study together with a rating system that is transparent and available to all individuals and their families
  
2. Additional resources are needed to assist the Quality Working Group. Resources include: funding for a project manager for the Working Group who will facilitate the group and research the following: incentive based payment systems within Medicaid Home and Community Based waiver programs; best practice models of quality rating practices that are web based; outcome data reporting models; and, assess current DDDS staffing capacity to establish and manage the Provider agency rating system. The estimated cost of a contractor is \$75,000 to \$100,000. DDDS would need one additional staff to operate and manage the rating system at an annual cost of \$ 66,900 (salary and benefits).
  
3. The Quality Working Group strongly recommends that the Delaware General Assembly move forward with the critical next steps to increase provider rates to the 80% of benchmark funding level in the Fiscal Year 2016 budget based on the *Rebasing the DDDS Direct Support Professional Rates* report submitted to the Joint Finance Committee on January 17, 2014. More specifically, the Quality Working Group believes that this funding cannot be delayed until the quality outcomes system has been established. The estimated cost to increase provider rates to 80% of the benchmark level is \$2.6 million in State funds.