

Issue Paper

Billing Methodology for APD Adult Day Training Programs (ADT)

Prepared by The Arc of Florida 12/2/24

Proviso Requires Report on ADT Reimbursement Rates

During the 2024 session, the Florida Legislature passed proviso language in the General Appropriations Act (GAA) that requires the Agency for Persons with Disabilities (APD) to develop a report on alternative reimbursement rate methodologies for Adult Day Training (ADT) under APD’s Home and Community Based Waiver (HCBS), to include reimbursement at monthly rates, as opposed to the current hourly rate schedule.

The proviso reads as follows:

“From the funds in Specific Appropriation 194, the agency shall develop a report proposing alternative reimbursement rate methodologies for Adult Day Training services provided under the Home and Community Based Waiver at the Agency for Persons with Disabilities, to include reimbursement at a monthly rate. The agency shall submit the report to the Governor’s Office of Policy and Budget, the chair of the Senate Committee on Appropriations, and the chair of the House of Representatives Appropriations Committee by January 6, 2025.”

The Arc of Florida urges adoption of monthly and daily reimbursement rates for ADT services in lieu of the current hourly methodology. This will reduce the administrative burden imposed on both providers and the agency by the current methodology as well as promote financial viability for providers who are struggling to maintain the staffing required to provide this valuable service. This is an especially critical issue in light of Florida’s goal to increase the number of people served by the HCBS waiver given the 2024 increase of \$158.4 Million for 2,619 new waiver slots.

ADT programs represent a critical segment of APD’s service array. These very flexible programs are tailored to train consumers so they gain competence in valued community routines that are age and culturally appropriate. The training, activities, and routines established by an ADT provider must be meaningful and foster the acquisition of skills such as positive social behavior and interpersonal competence, greater independence and personal choice. Adult day training allows for the development of natural supports and moves consumers toward fuller community integration.

Another important benefit of ADT services is that they provide a safe environment for individuals during the day so that family caregivers can earn an income which is critical for allowing the individual to remain in the family home.

Although not addressed in GAA proviso language, it is important to note that, like ADT services, waiver-funded Prevocational services are also budgeted and reimbursed in the same manner as ADT programs. Therefore, the issues raised in this paper apply not just to ADT programs, but to Prevocational services as well.

Current Situation

Budgeting for ADT Services

APD offers an array of services from which consumers can choose, with the goal of living as independently as possible in their own home or in the community. Consumers' choices may differ in amount, duration, frequency, and intensity of any given service.

Based on these decisions, dollars are allocated in each consumer's iBudget and are committed by APD. An annual spending or "cost plan" is then authorized for each consumer. The consumer, his/her waiver support coordinator, family and APD rely on the cost plan in order to manage the funds authorized for each consumer. Changes to the iBudget can be made at the request of the recipient, with APD approval.¹

Consumers choose their own service providers, and the choices made by the consumer (as reflected in their iBudget and cost plan) are translated into staffing patterns by the chosen providers. This step is critical to ensure that providers offer the level of support needed by each consumer, and meet licensing standards for staff ratios.²

Dollars authorized in consumer iBudgets fund the direct support professionals who deliver ADT services, enabling providers to operate ADT programs. A provider's ability to maintain the requisite staffing pattern is dependent on predictability and stability of service delivery so that they, too, can manage within a given budget while meeting state licensing standards.

Reimbursement for ADT Services

ADT providers are reimbursed based on a "stepped" rate system. The more intensive the service required by a consumer, the richer the staffing ratio, and the greater the associated hourly reimbursement rate.

Providers bill for ADT services each month, and they cannot bill for services when a consumer is not in attendance, even though the provider must staff the program as if consumers will participate as their iBudget and cost plan state. Each consumer must be in attendance for at least 30 minutes a day before the provider can bill for the service. The current rate/payment methodology was put into effect in July 2008 as a cost cutting measure when

¹ When the iBudget was implemented in 2010, its goal was to empower consumer choice and make service delivery more flexible to promote individualized service delivery. Unfortunately, the current process of gaining APD approval to change consumer cost plans – even within existing budget allocations – can take up to a month. This sometimes results in consumers being dropped from a program due to non-attendance. In addition, the current limit of 56 hours/month on ADT and similar Life Skills Training services creates problems for working parents as well as safety issues for consumers dropped off early or picked up after the ADT program closes each day. Many ADT providers fill this gap by raising private funds to operate programs in excess of the Medicaid-funded hours. The Managed Care pilot project seeks to eliminate these issues. For more information, contact The Arc of Florida.

² ADT providers are designated and licensed by the APD regional office. Provider staff, titled "direct support professionals," or DSPs, must meet minimum qualifications, clear stringent background checks, and pass extensive training. Following recruitment and selection, the on-boarding process takes about two weeks to complete.

the country was experiencing a serious recession. In fact, the Medicaid rate schedule was published with the title, “Provider Rate Table with July 1, 2008 Rate Reductions.”

This methodology results in providers absorbing the costs of maintaining direct support professional staffing ratios regardless of whether or not consumers attend the program as authorized in their iBudgets. Over the years that this methodology has been in place, salaries and other costs have increased. As a result, providers have experienced increasing budget shortfalls, causing many to consider capping or eliminating these programs at a time when the waiver is supposed to be expanding in response to unmet needs. This methodology also results in *millions of State dollars* going unspent each year.

While numerous examples exist of the financial burden faced by ADT providers, two real-life illustrations are provided here. In Arc “A,” the program’s authorized budget for staffing in the first six months of 2024 was \$299,547.84. The provider was only able to bill \$238,851.26, resulting in a budget shortfall of almost \$61,000. Arc “B” projected revenue of \$249,136.15 for the same period based on client choices and cost plans. In actuality, Arc “B” received reimbursement of \$171,598.48, resulting in a shortfall of \$77,537.67. **The reimbursement received by Arc “B” was \$114,339.52 lower than their actual staffing costs of \$285,938.**

These examples demonstrate why ***ADT program expansion is simply not realistic*** under the current reimbursement methodology, and why many ADT providers are capping enrollment or considering program closure. **Under the current methodology, the more an ADT program expands, the more the program suffers financial loss.**

The Agency for Health Care Administration (AHCA) is currently surveying ADT providers on issues related to the sustainability of reimbursement rates. The Arc of Florida looks forward to reviewing AHCA’s findings and stands ready to assist in any way possible to shed further light on this issue.

The Solution: Monthly and Daily Rates vs Hourly Rates

Applying monthly and daily reimbursement rates, as opposed to hourly, offers significant advantages for service providers and consumers, as well as for APD and the Legislature, thus fostering program expansion and a more stable and productive system of care.

Following is a breakdown of benefits to be gained from a monthly/daily reimbursement rate schedule.

For Consumers:

1. **Budget Management:** Fixed monthly and daily charges make it easier to plan and reduce financial stress from unexpected costs or unplanned absences.
2. **Convenience:** Simplifies payments and prevents the hassle of fluctuating costs.
3. **Cost Perception & Value:** Flat rates will encourage more consistent use of services.

4. **Continuous Feedback:** Regular payments create an ongoing feedback loop, promoting service improvements.
5. **Flexibility:** Consumers can more easily evaluate and switch providers if necessary.
6. **Mutual Accountability:** Formal agreements ensure both parties meet expectations, fostering a more balanced relationship.
7. **Expanded Consumer Access to ADT:** If providers can predict revenue to support ADT staff, they will be willing to expand ADT programs to serve more consumers.

For Providers:

1. **Ability to Expand ADT Programs:** While now unwilling to expand programs due to revenue losses, providers will be incentivized to expand their ADT programs.
2. **Predictable Revenue:** Monthly and daily rates ensure steady cash flow, supporting financial planning, staffing, and scalability.
3. **Operational Efficiency:** Reduced administrative work flow allows for better resource management and consistent service delivery.
4. **Scalability:** Predictable income and standardized services make it easier to manage growth while maintaining quality.
5. **Consumer Retention:** Regular, consistent billing fosters long-term relationships, enhancing client trust and loyalty.
6. **Transparency:** Clear, easy-to-understand monthly statements build trust and prevent billing misunderstandings.
7. **Performance Tracking:** Monthly and daily rates allow for ongoing service evaluations and quick adjustments.
8. **Cost Management:** Predictable billing helps optimize staffing and resource allocation, reducing overstaffing or shortages.

For APD and the Legislature:

1. **Meet Legislative Targets:** By allowing ADT providers to effectively manage their budgets, the ADT providers can expand programs to serve unmet need and meet legislative targets for waiver expansion.
2. **Predictability in Budget Management:** Monthly and daily rates allow APD to more accurately manage operating budgets.
3. **Accuracy in Budget Projections:** Flat monthly and daily rates allow APD to project with confidence and prevent over or under-expenditures.
4. **Ease in Reallocation of Funds:** This methodology permits APD to make timely decisions if funds need to be shifted from one service category to another, better meeting the unmet needs of consumers.
5. **Accountability:** Accuracy in budget management and projections allow APD to inform the Legislature on a real-time basis with reliable data.

Key Benefits for All:

- **Consistency & Quality:** Monthly and daily rates ensure predictable care and minimize fluctuations.
- **Transparency:** Clear communication channels build trust and reduce misunderstandings.
- **Scalability & Growth:** Providers can scale efficiently while consumers enjoy a streamlined service offering.
- **Truth in Budgeting:** We estimate that 25% of iBudget funding goes unspent each year, largely as a result of the inability by all parties to accurately project costs accurately. These funds could be managed much more effectively for the benefit of all.

Conclusion

Monthly and daily reimbursement rates for ADT and Prevocational services offer a stable, predictable framework that benefits all parties. Providers gain steady revenue, improved operational efficiency, and the ability to expand programs, while consumers enjoy cost predictability, convenience, and greater access to services. APD has better information on which to plan and project consumer needs, and the Legislature receives reliable and timely financial data. This creates a mutually beneficial, transparent relationship that supports long-term success. Moreover, the system of care for persons with intellectual and developmental disabilities can grow in the manner envisioned by the Florida Legislature when it added funds and waiver slots to the FY 24-25 GAA.

This proposed solution mirrors the methodology already used in reimbursing residential habilitation services, wherein providers are paid a monthly stepped rate for each consumer “bed” occupied for a minimum number of days per month. This approach is also being considered in the managed care pilot to ensure that ADT providers are available to meet consumer needs.

A change in reimbursement methodology could easily be memorialized in ss. 393.067(16), F.S., under “facility licensure,” or APD could make this change in rule without a statutory change. Proposed statutory or proviso language might read as follows:

393.067(16) ADT and Prevocational services can be reimbursed at a monthly rate if the client attends the service for at least 16 days in that month. Providers can be reimbursed at the daily rate for recipients who are in attendance fewer than 16 days for the month. Billing, however, cannot be submitted until after the month is completed. Providers must use the last date the recipient was present as the date of service.³

³ For purposes of billing Residential Habilitation services under the HCBS waiver, APD permits providers to bill for a full month of service if the consumer resides in a placement for a minimum of 18 days in a month (80% of 30 days). Using the same logic, the ADT reimbursement methodology should permit providers to bill for a full month of ADT services if consumers attend for 14 days in a month (80% of the average - 24 - training days in a month).