
Managing Through the Interim Period

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Overview

In Fiscal Year 2009-2010, the Office of Developmental Programs (ODP) will begin operating under a Waiver Capacity Commitment model. Currently, Administrative Entities (AEs) are responsible for tracking their expenditures against an annual dollar allocation from ODP. In the future under the waiver capacity model, ODP will provide a Waiver Capacity Commitment Letter for each waiver (Person/Family Directed Services (P/FDS) and Consolidated) to each AE on an annual basis with midyear adjustments. The Waiver Capacity Commitment Letter indicates the total number of individuals who can be enrolled in each waiver at any point in time. AEs are expected to track enrollments against the number of participants provided in their Waiver Capacity Commitment Letter, while ODP will track expenditures against the statewide legislative appropriations.

The HCSIS functionality to allow ODP and AEs to track Waiver Capacity will be available in the system on July 25, 2009. The period until July 25 will be transitional, as Waiver Capacity Management will begin operationally on July 1. AEs are required to prepare for the upcoming Fiscal Year by approving Individual Support Plans (ISPs) and authorizing services for individuals. The ISP approval process is functionally the same as years past; however, because of the transition away from managing financial allocations, the relative importance of certain activities will shift.

This document explains the basic changes from the current model to the Waiver Capacity Commitment Management and provides guidance for AEs to manage in the transitional period.

In addition, this document covers the following topics:

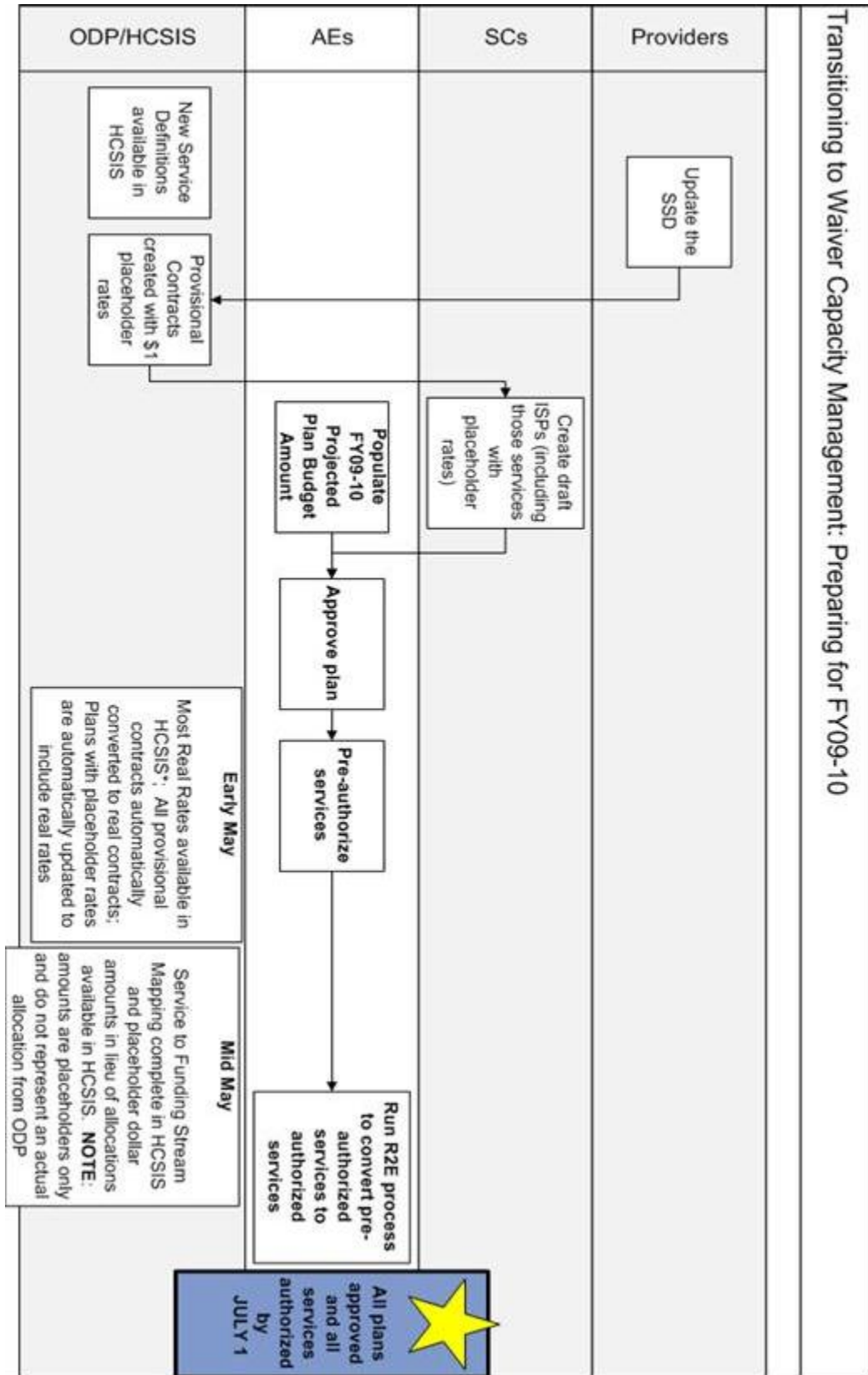
- Allocations
- Projected Plan Budget Amount
- Rates
- Authorization Process

For each of the topics, this document provides an overview of the “Previous Years” (prior to FY 2008-2009) and the “Future Years” (FY2009-2010 and after). Additionally, it explains the activities that AEs should complete in the interim. For interim tasks, it discusses the relative importance of each item and describes the emphasis that should be placed on various aspects of the Fiscal Year Renewal Process.

Note:

Base-funded services will continue to be financially managed by the AEs. The changes described throughout the document apply only to the waivers (P/FDS and Consolidated). The changes are not expected to impact the Base program.

Process Flow



Allocations

Previous Years

Each spring, ODP maps the current year's funding streams to the future year's funding streams and loads the allocations (dollar amounts) that each AE is to use to manage planned and actual expenditures for each waiver. Currently, there are more than 50 funding streams with assigned allocations. AEs authorize services within their dollar allocations and should not exceed the dollar amounts assigned by ODP.

Future Years

ODP will provide dollar allocations to AEs only for Base-funded services. ODP will manage the waiver expenditures statewide, rather than having the waivers managed at the local level within allocated funding amounts. Each AE will be given a Waiver Capacity Commitment Letter representing the maximum waiver capacity for an AE at any time. In HCSIS, the AEs will be able to see a screen that will indicate the waiver capacity by each waiver, the filled number (number of participants currently enrolled), the reserved number (number of participants in the intent to enroll status, or queue) and the vacancy number (capacity currently not filled or reserved and thus available to be filled). AEs will enroll participants within their Waiver Capacity Commitment, and HCSIS will limit the ability to enroll participants beyond the capacity commitment.

In the interim

AEs have received the baseline Waiver Capacity Commitment letter for FY 08-09, and will be given their FY 09-10 Waiver Capacity Commitment Letter from ODP on or about June 22, 2009. Although the capacity commitment number will not appear in HCSIS before July 25, AEs are expected to immediately begin to manage their program within these parameters and should not enroll more individuals than their assigned capacity. Reports will be available weekly during the interim for both ODP and the AE to use that will support management within capacity.

By early May, ODP will load placeholder dollar amounts in lieu of allocations into HCSIS. While allocations were historically categorically based, the placeholder amounts will represent the P/FDS and Consolidated maintenance categories (inclusive of last year's initiative funding). These placeholder amounts are necessary to run the Reserves to Encumbrance (R2E) process for FY2009-2010. The R2E process will stop automatically if the total of all plans exceeds the temporary dollar amount, so the amount in HCSIS will be sufficient to insure this does not happen. It should be noted that these amounts do NOT represent a legal and binding allocation and are merely placeholders required in HCSIS until the functionality is updated on July 25. In preparation for the new Waiver Capacity Management model, AEs' focus should be on authorizing services that align with meeting an individual's identified needs and not on working within the placeholder amount.

For Base-funded services, AEs should continue to manage their authorized plans within the real dollar allocation, which will be available in HCSIS early in June.

Projected Plan Budget Amount

Previous Years

For each individual, AEs enter a Projected Plan Budget Amount that represents an estimate of the ISP total for the upcoming year. This estimate can be derived by using the Personal Planning Information functionality in HCSIS. Alternatively, AEs can elect to pre-populate a future year's budget from the current (source) fiscal year through the Budget Management Menu.

In addition to determining an accurate estimate of ISP total for the year, for P/FDS individuals, the Projected Plan Budget Amount cannot exceed the P/FDS cap.

A Projected Plan Budget Amount is necessary for the successful preparation for the upcoming fiscal year. The following activities cannot be completed unless the Projected Plan Budget Amount is equal to or greater than the plan total:

- Approve Plans
- Authorize Services

Additionally, HCSIS checks the Projected Plan Budget Amount during the Reserves to Encumbrance (R2E) Process. If the plan total exceeds the Projected Plan Budget Amount, the funds will not be encumbered and an exception will be noted on the report.

Future Years

A Projected Plan Budget Amount is required for Base-funded services only, and is necessary for the plan approval, service authorization, and R2E process for Base-funded individuals.

For the Consolidated and P/FDS waivers, a Projected Plan Budget Amount will not be used. The system will validate P/FDS plans against the cap automatically.

In the Interim

AEs should continue to enter an accurate estimate of the ISP total for the year for Base-funded individuals.

AEs should use HCSIS functionality to populate the FY2009-2010 Projected Plan Budget Amount with the FY2008-2009 amounts. These budget amounts are necessary to run the Reserves to Encumbrance (R2E) process for FY2009-2010, and the R2E process will create an exception report and stop encumbering funds when a plan total exceeds the Projected Plan Budget Amount. Although HCSIS requires this financial check, AEs should focus on authorizing services that align with meeting an individual's identified needs in preparation for the new Waiver Capacity Management model. If, during the R2E process, an AE discovers that a plan total exceeds the Projected Plan Budget Amount, the Projected Plan Budget Amount should be modified to enable the approval of the plan.

Rates

Previous Years

In the past, AEs negotiated all rates with providers and recorded the rates directly in HCSIS.

Future Years

ODP is shifting the rate-assignment process to increase consistency statewide. Most rates will be provider-specific and will be assigned through an analytical process based on the data submitted on the providers cost reports. Some other rates will be based on a regional fee schedule, which will be assigned in accordance with the physical location of the billing provider.

AEs will develop transportation rates with providers, and ODP will approve these rates and enter them into HCSIS.

AEs will negotiate rates for Base-only services with providers and enter these rates into HCSIS. Waiver rates will apply for an individual who is Base-funded if the same service is provided under a waiver. For an individual in Base receiving residential services, the AE should ensure that the rate is individualized, using the combined eligible and ineligible rates established for waiver services.

In the Interim

All FY2009-2010 rates will be prepared as outlined above in the “Future Years” section. ODP will notify providers of their FY2009-2010 rates by mail in early May, at which time most real rates will be available in HCSIS.

Before July 25, HCSIS functionality will allow AEs to change the rates which have been uploaded by ODP. Although the system will allow changes, ODP policy prohibits any changes to assigned rates. **AEs may not, under any circumstance, modify the rates that are assigned by ODP.**

Plan Approval and Service Authorization Process

Previous Years

In previous years, AEs checked the available funds in their allocations and assigned services to appropriate funding streams before approving plans or authorizing services. AEs focused on budgeting and were highly cognizant of Projected Plan Budget Amounts for individuals. If, during the R2E process, a plan was identified as an exception, the AE sought alternative funding for the services, assigning services to Base funding streams, or splitting funding as necessary.

Future Years

AEs will continue to authorize services based on an individual's assessed needs and the services needed to meet those needs. AEs will not manage to a budget at the individual or aggregate level, with the exception of the P/FDS cap and Base-funded services.

The system will assign funding automatically based on an individual's eligibility. In response to exceptions identified in the R2E process, AEs will override the system and fund services as necessary.

In the Interim

After Supports Coordinators (SCs) prepare the draft ISPs and the AE has populated the Projected Plan Budget Amount for individuals, the AE should approve the plan and pre-authorize services using the same system functionality used in previous years. The Projected Plan Budget Amount must be equal to or greater than the plan total to approve the plan.

Prior to May, all FY2009-2010 service contracts were created as provisional with placeholder rates of \$1. These placeholder rates will be replaced automatically in contracts and plans in early May. At the same time, all provisional contracts will be converted automatically to real contracts if the final rates are available in the initial rate file. Contracts that are pending final rates will be changed to provisional on-hold status at this time, pending the availability of additional rates, which will be loaded on a periodic basis.

After the real rates have been loaded and after the temporary (dollar) allocations are available in HCSIS, ODP will complete a service to funding stream mapping in HCSIS. This mapping will be completed by mid-May. After the mapping is completed, AEs should run the Reserves to Encumbrance (R2E) process. This process will convert the pre-authorized services to authorized services. AEs should review the R2E exception report to reassign funding streams as necessary.

If, during the R2E process, an AE discovers that a plan total exceeds the Projected Plan Budget Amount, the Projected Plan Budget Amount should be modified to enable the approval of the plan. In the case of a plan that exceeds the P/FDS cap, the AE should convene a team meeting to address the situation.

Appendix A contains a checklist for the R2E process and shows which activities should occur for waiver and for Base.

Resources

Previous Years

Many job aids and other documents are available on the **Learning Management System (LMS)**. The link for the LMS is available on the HCSIS home page: www.hcsis.state.pa.us.

The **ISP Financial Support Job Aid** is available on the LMS and provides definitions of key terms and processes related to the preparation for the upcoming Fiscal Year. This document provides step-by-step instructions to:

- Derive an individual's projected plan budget amount in HCSIS by entering dollar amounts at the funding stream level using the budgeting tool via the *Budget Management* screens.
- Enter individualized rates for services into HCSIS, if applicable.
- Review the services listed in the Individual Support Plan (ISP) to authorize, unauthorize, or pre-authorize services.
- Associate the appropriate funding stream with each service listed in the ISP.
- Split services between different funding streams when it is necessary to perform a funding stream change.
- Auto-populate Projected Plan Budget Amounts for a future (target) fiscal year from the current (source) fiscal year.

Additionally, the document includes *Rules to Remember* which describe nuances to the various processes described throughout the document.

Future Years

A HCSIS job aid for AEs to explain the step-by-step processes of managing under the Waiver Capacity Management model is under development. This information will be available on the LMS when the new system functionality is available in July.

In the Interim

AEs should utilize the "Previous Years" resources because the processes remain functionally the same. However, AEs should read the previous sections of this document to familiarize themselves with the operational changes that impact the emphasis placed on various activities during preparation for FY2009-2010.

Appendix A – R2E Checklist - 2009

Preparation For Running the Year-End R2E Process - 2009

When to Run	Task	To Do	Roles	Reference Material	Base	Waiver
Before Allocation Upload (Base allocation upload will be 6/1/09)	1. Run the Service Status Report for your AE, using the current fiscal year Tools --> Reports --> Reports Request	Review to make sure that all the services that will be billed through PROMLISE are in pre-authorized status. If not, pre-authorize the services on the Authorize Service screen in HCSIS.	County Financial Manager County Financial Worker ISP Financial Support	ODP County FM Training Materials, ODP FM Reports, ODP FM Reports, Analysts Guide, 17.0	✓	✓ Financial amounts for waiver services are placedholders only - disregard this report for everything except base
	2. Run the Future Funding Stream Exception Report using the current fiscal year Tools --> Reports --> Reports Request	Review to compare the current year's allocation to the upcoming fiscal year's financial commitments to determine which funding streams may be exceeded in the upcoming fiscal year. This report shows only the funding streams that have a negative available dollar amount for the upcoming fiscal year.	County Financial Manager County Financial Worker	ODP County FM Training Materials, ODP FM Reports, Analysts Guide, 14.0	✓	Financial amounts for waiver services are placedholders only - disregard this report for everything except base
Before June 30	3. Run the Consumer Funding Stream Planning Report using the current fiscal year Tools --> Reports --> Reports Request	Review to see all individuals and funding streams in which the reserves would exceed the allocation if the current FY allocation is used.	County Financial Manager County Financial Worker	ODP County FM Training Materials, ODP FM Reports, Analysts Guide, 15.0	✓	Financial amounts for waiver services are placedholders only - disregard this report for everything except base
	4. Run the Provider Service Status Report (contract types) for upcoming FY and Provisional Contracts Tools --> Reports --> Reports Request	<ul style="list-style-type: none"> Continue to add new rates to make contracts Real (Contract Administrator) Change status to Provisional On-Hold if rates will not be finalized before 7/1 (Contract Administrator) 	County Financial Manager County Financial Worker Contract Administrator	ODP County FM Training Materials, ODP FM Reports, Analysts Guide, 2.0	✓	ODP will upload all rates for waiver services - do NOT modify any rates
Before June 30	5. Run the Provider Service Status Report for upcoming FY, Real and Provisional On-Hold Contracts Tools --> Reports --> Reports Request	Review to make sure that there are no Real contracts with incorrect rates. - If not corrected, R2E will encumber funds at the wrong rate, and the AE will have to use the HCSIS Mass Rate Change functionality to modify the rate. Use the Provisional On-Hold list as a To-Do List, changing them to Real as rates are finalized.	County Financial Manager County Financial Worker County Mass Rate Change Contract Administrator	ODP County FM Training Materials, ODP FM Reports, Analysts Guide, 2.0 County Mass Rate Change Job Aid	✓	ODP will upload all rates for waiver services - do NOT modify any rates
	6. Run the Projected Plan Budget Amount Exceeded Report for upcoming FY Tools --> Reports --> Reports Request	Review to identify each individual who has exceeded their projected plan budget amount. i.e., the sum of the services that have been encumbered and reserved is greater than the projected plan budget amount. Run this report after all provisional contracts are made real to identify all individuals affected by the rate change. Note: these results may change on plans as new rates are recorded when finalized.	County Financial Manager County Financial Worker ISP Financial Support	ODP County FM Training Materials, ODP FM Reports, Analysts Guide, 3.0	✓	Projected Plan Budget Amount (PPBA) is a placeholder amount for waiver services; change the PPBA to meet service needs except in the case of the P/FDS cap

When to Run	Task	To Do	Roles	Reference Material	Base	Waiver
Alter Allocation Upload (Base allocation upload will be 6/1/09)	7. Review the allocation amount by accessing the 'Funding Level' screen. To make changes, navigate to the Non-Service Encumbrance, Overbooking and Revenue Adjustment screens. 8. Run the County Funding Level Report for the upcoming FY and all Funding Streams Tools -> Reports -> Reports Request	These screens in HCSIS list the AEs funding structure. The financial resources listed are the AEs allocations, revenue adjustments, overbooking and AE match dollars as a result of the 00/10 rule. The report lists each funding stream's available dollars by subtracting the financial commitments from its financial resources and summarizes the financial resources, financial commitments and available dollars at the AE level.	County Financial Manager County Financial Worker Revenue Adjustment	ODP County FM Training PowerPoint, ODP FM Screen Guide, 1.0, 2.0, 3.0, 4.0 & 5.0	✓	Financial amounts for waiver services are placedholders only - disregard these screens for everything except base
Before July 1	9. Prepare for the June 30 Provisional to Real Batch Job -- Change the contract type of provisional contracts to provisional on hold if they are not going to maintain their rates for next year and the rates are not finalized. -- Verify the remaining provisional contracts are going to maintain their rates for next year because they will be converted to real contracts.	This is a batch job that is scheduled to run after 5:00pm on June 30. All provisional contracts will be converted to real contracts at their current rate. If you know the rate is changing but you don't know the new rate, change the contract type to provisional on hold, and it will not be converted to real.	Contract Administrator	ODP County FM Training Materials	✓	ODP will upload all rates for waiver services - do NOT modify any rates or contract types
NOTE: R2E process may be run many times. However it must be run at least once AFTER 0/30 and BEFORE providers submit claims	10. Run R2E when: -- There are no incorrect rates for real contracts in the upcoming FY -- You are ready for providers to begin filing claims for services rendered	Continue running and reviewing the R2E Exception Report if generated. Refer to 5.0 of the ODP FM Reports Analysis Guide and supporting course materials for detailed instructions.	County Financial Manager	ODP County FM Training Materials, ODP FM Reports Analysis Guide, 5.0	✓	✓