

# Person-Centered Budget Algorithm (PCBA) Development

## Technical Advisory Group (TAG) Meeting III

January 25, 2021

# Agenda

- Introductions
- Timeline and Project Update
- Critical Variable Survey Results Review
- Literature Review
- Next Steps

# Introductions

## Health Care Policy & Financing (HCPF)

- Office of Community Living (OCL)
  - Amanda Lofgren, Case Management & Quality Performance Division Director
  - Michelle Topkoff, Entry Point & Case Management Section Manager
  - Tasia Sinn, Senior Policy Advisor
  - Lori Thompson, Assessment & Support Plan Coordinator
  - Matt Bohanan, Access Unit Supervisor
  - Ben Hoppin, Operations Coordinator

# Introductions

## Optumas

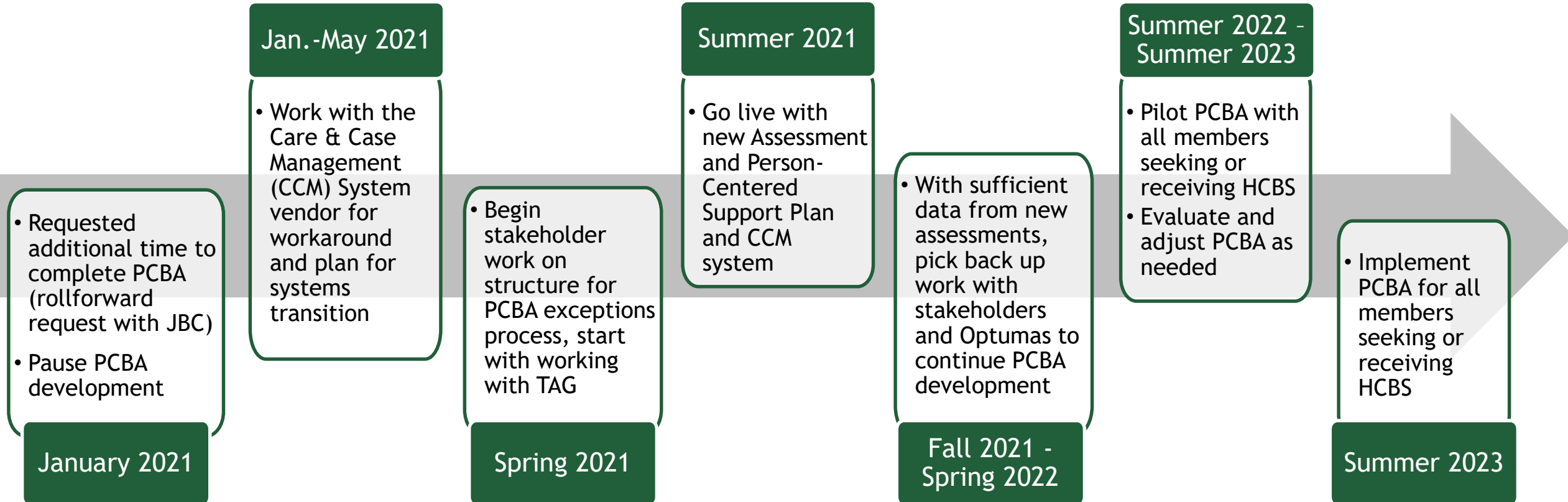
- Project Team

- Steve Schramm, Founder and Managing Director
- Meg Frenzen, Sr. Consultant
- Martin McNamara, Actuarial Consultant
- Tomas Abrate, Strategy Consultant
- Kris Welch, Actuarial Analyst
- Additional Supporting Staff

# Person-Centered Budget Algorithm (PCBA) Timeline Update



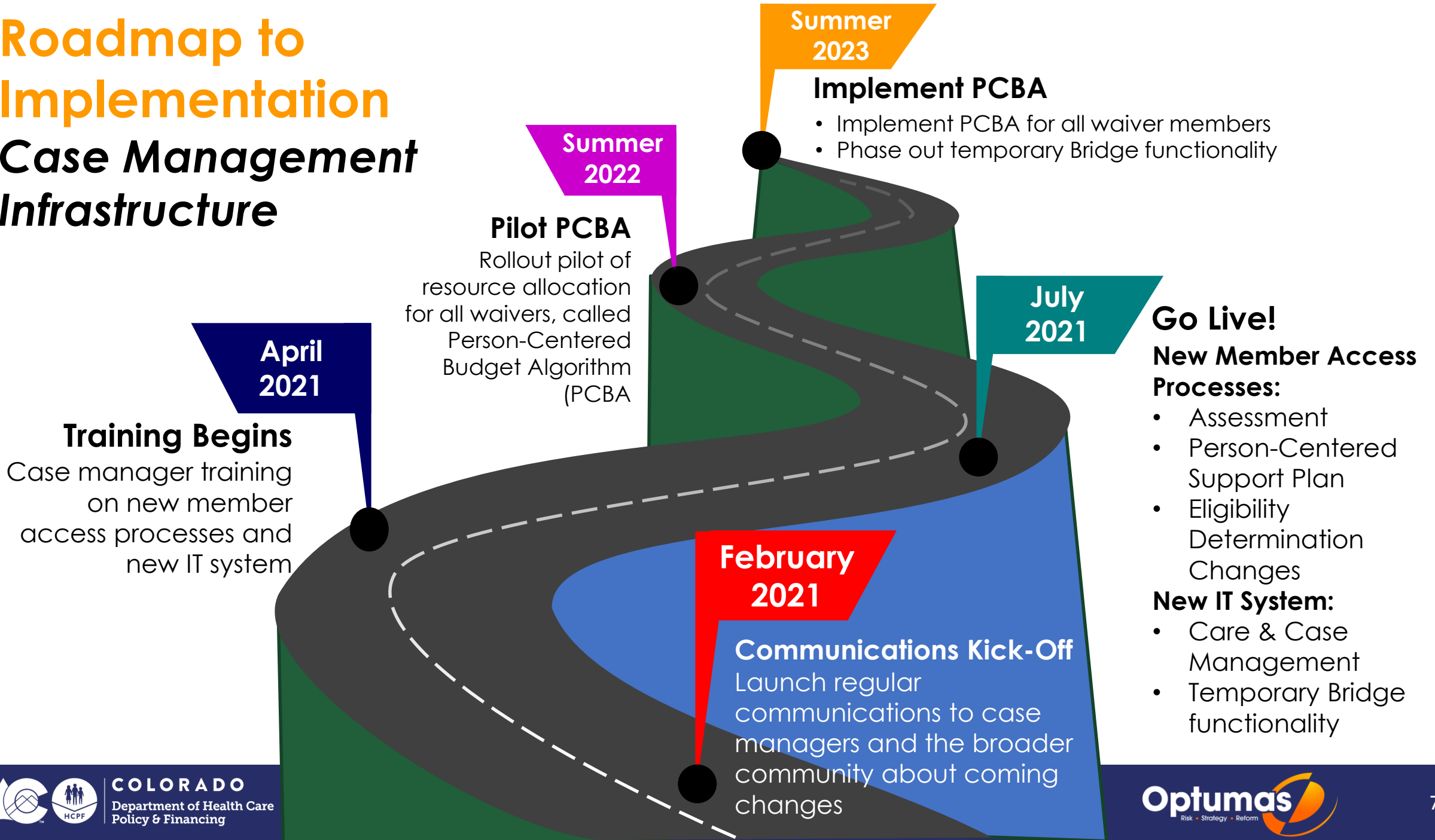
# PCBA Timeline Update



\* Timeline dependent on rollforward request approval by Joint Budget Committee

# Roadmap to Implementation

## Case Management Infrastructure



# Delayed PCBA Implications

Current resource allocation methodologies will remain in place until the PCBA is fully implemented

- Supports Intensity Scale (SIS)
  - SIS assessments will continue until there is full implementation of the PCBA
  - Support Levels based on SIS scores will continue until the algorithm is finalized
  - Once the PCBA is fully implemented, the SIS will be eliminated
- CDASS and IHSS Task Worksheets
  - Will also remain for member allocations determinations
  - Stakeholder engagement to determine long-term plan

More information about the transition will be provided closer to that time



# Exceptions Process Update

- Spring 2021 we will begin discussing the framework for developing the PCBA Exceptions Process
  - What works/does not work in the current processes (Support Levels-Additional Risk Factors, SPALs, Support Level 7, Over Cost Containment reviews, etc.)
- We will seek the TAG's input to set a structure for this process (what are essential elements)



# Questions?



# PCBA Project Refresher

# PCBA Development Stages

## Hypothesis

There exist relationships between member characteristics and resource need.

## Testing

Group member characteristics and analyze to identify patterns.

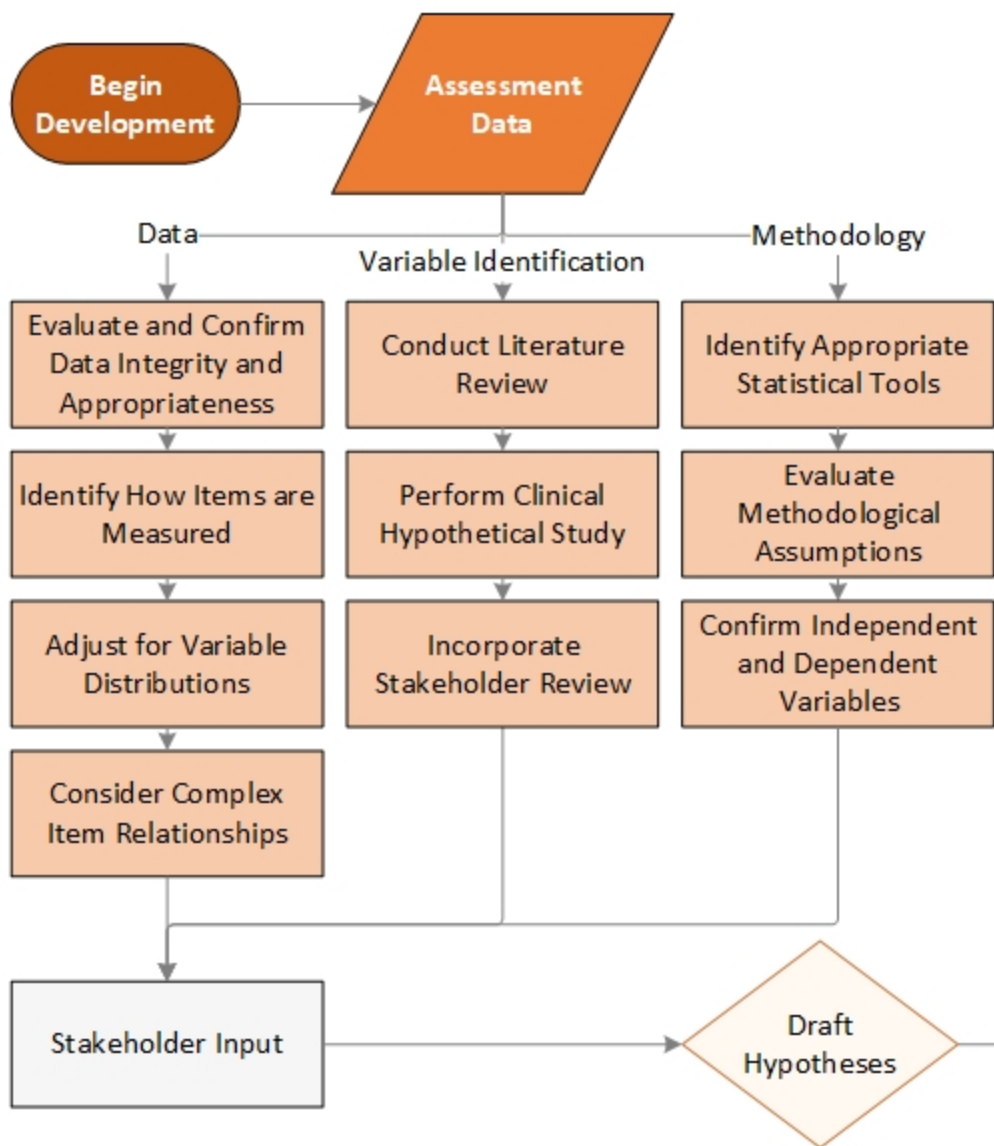
## Refinement

Evaluate patterns' ability to predict a range of future service needs.

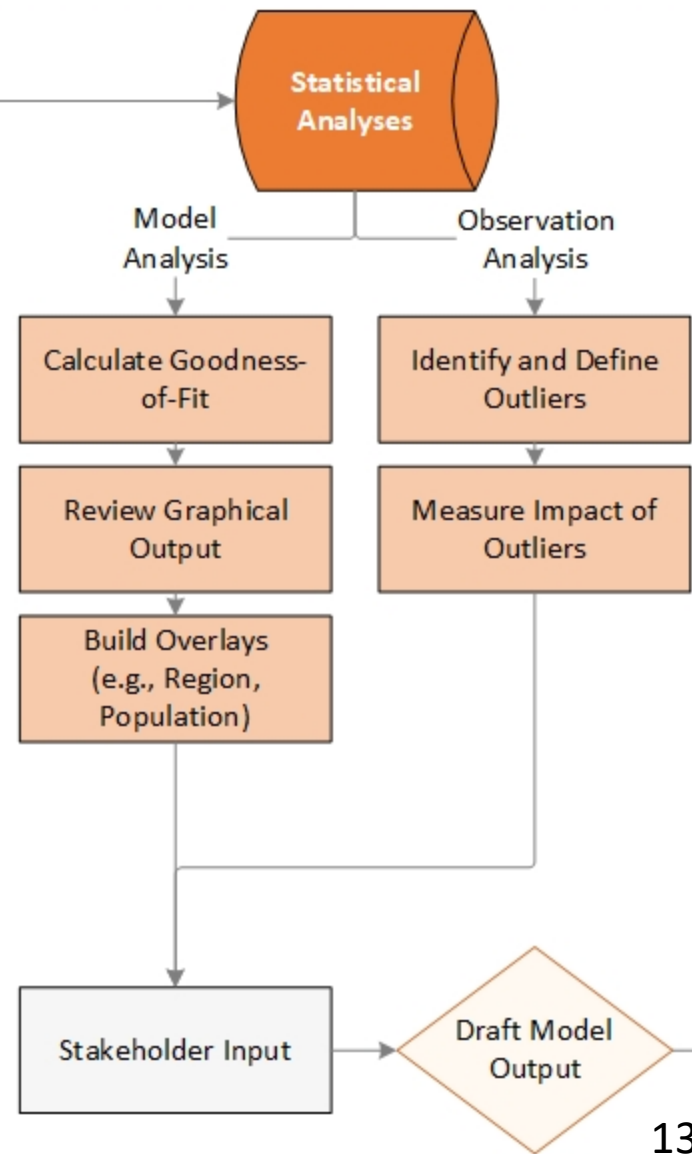
# Colorado Person-Centered Budget Algorithm (PCBA) Draft Workflow

PCBA Development Stages

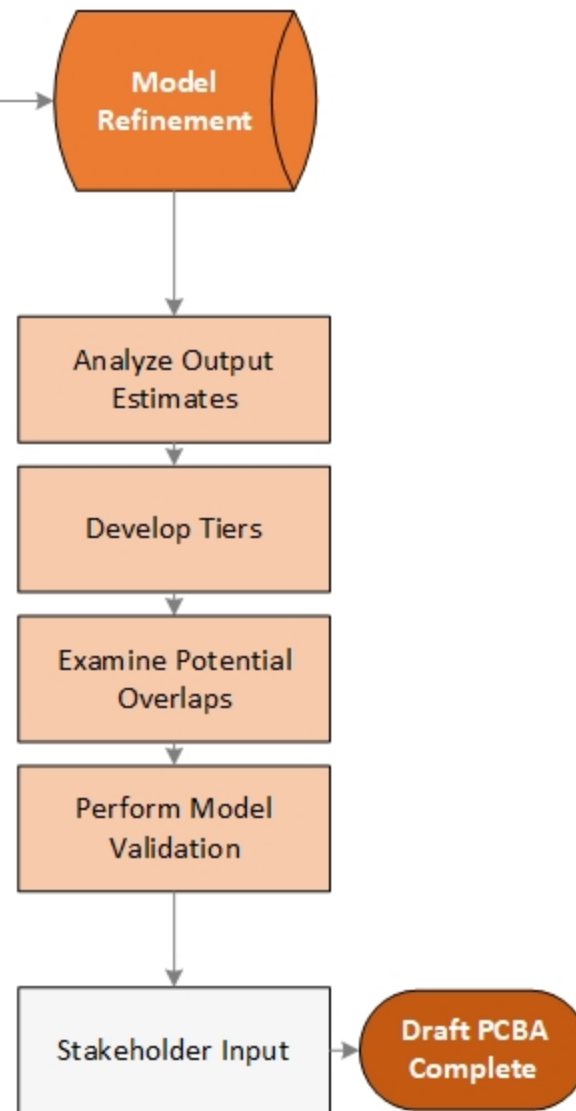
## Hypothesis



## Testing



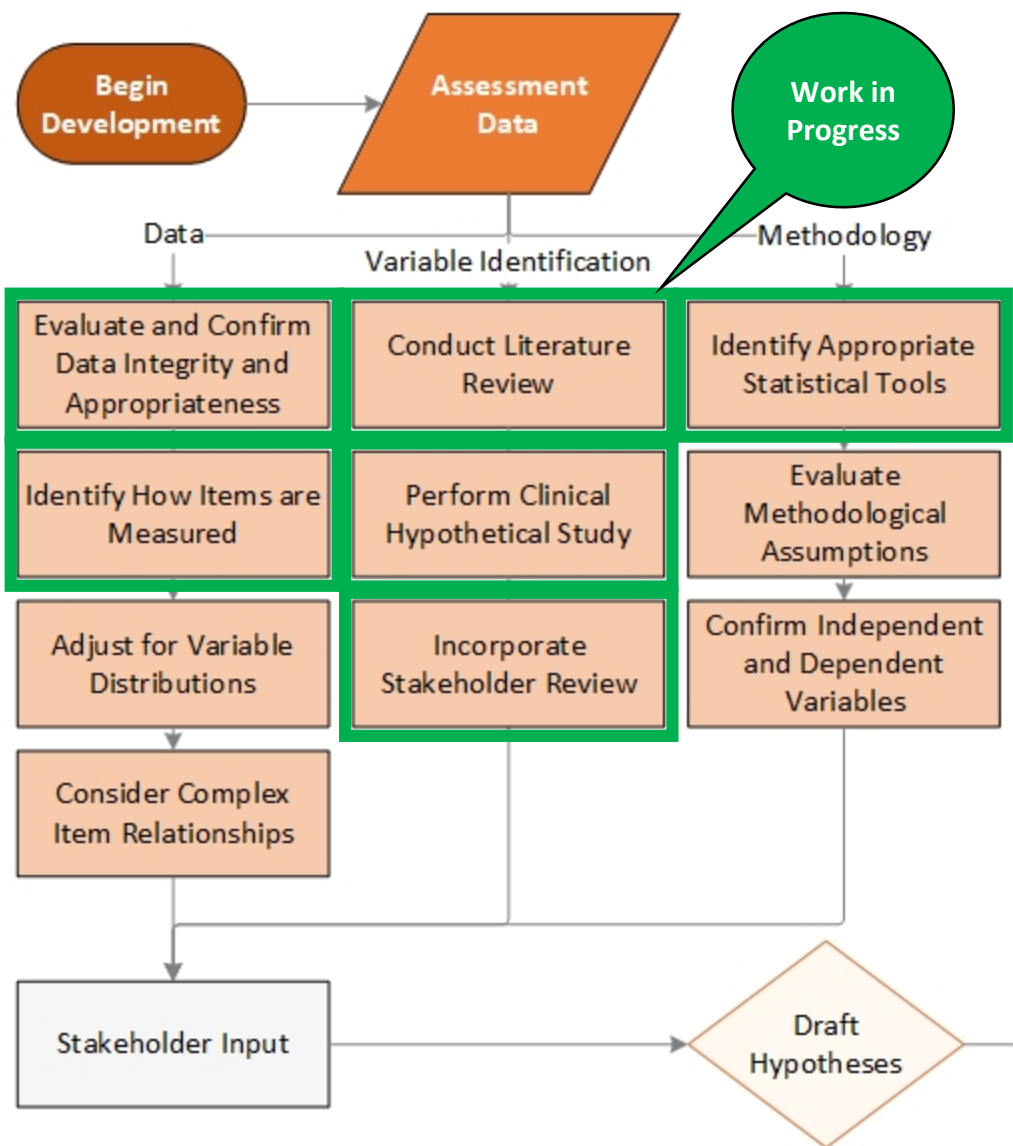
## Refinement



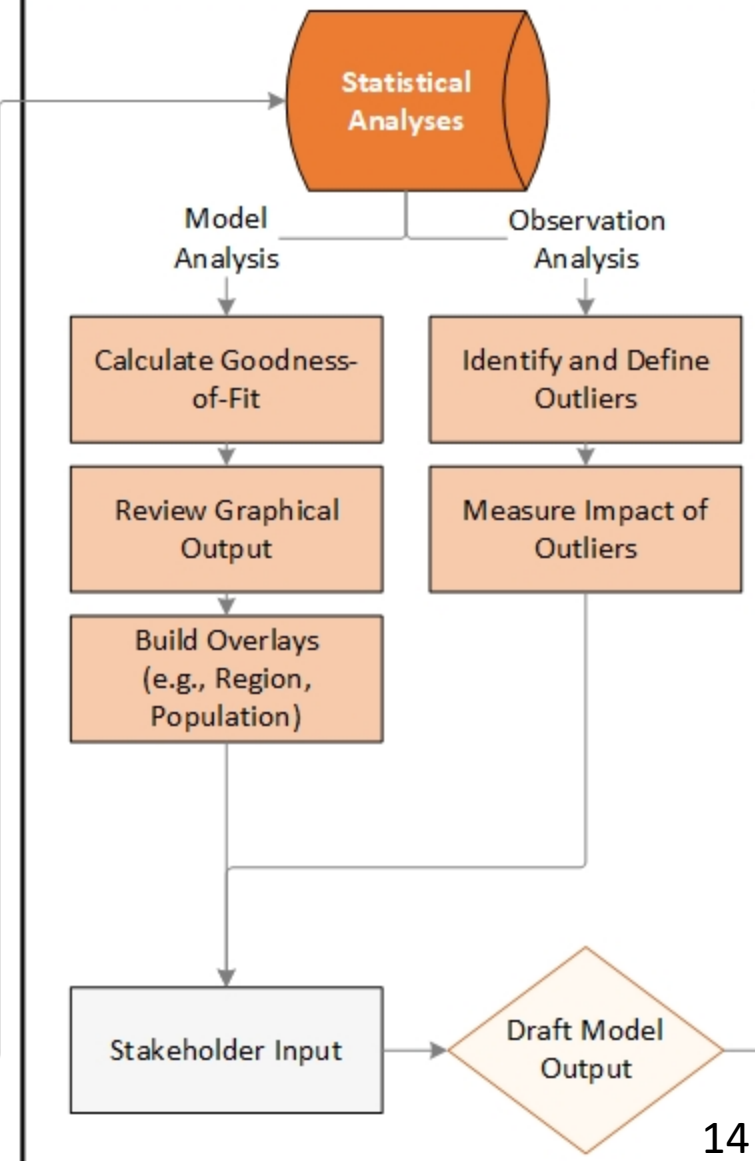
# Colorado Person-Centered Budget Algorithm (PCBA) Draft Workflow

PCBA Development Stages

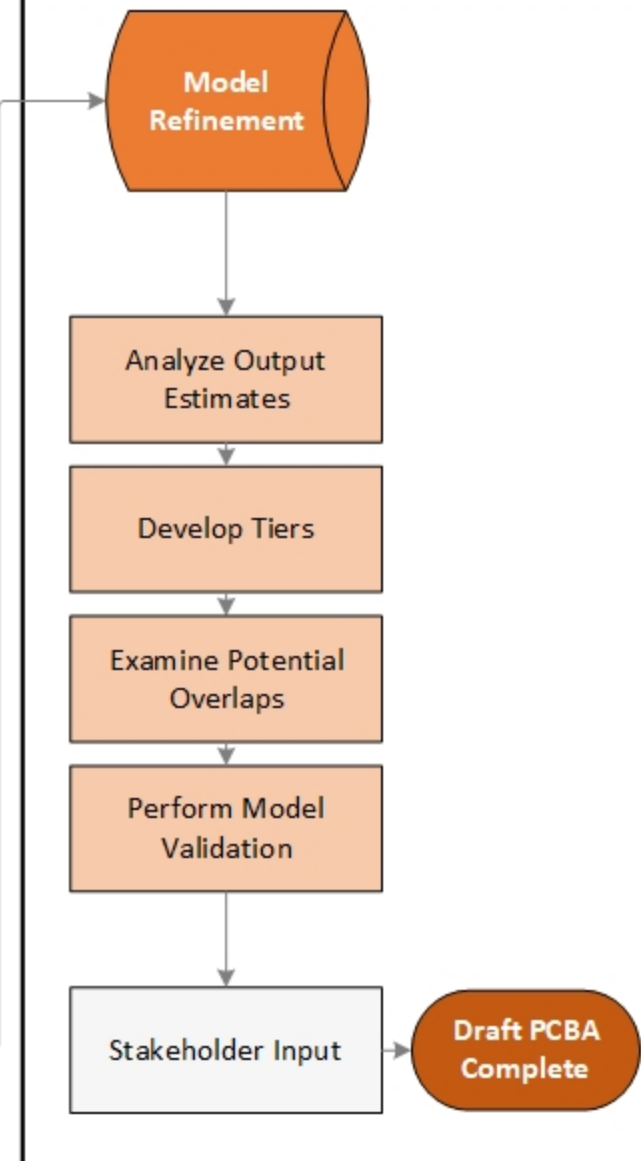
## Hypothesis



## Testing



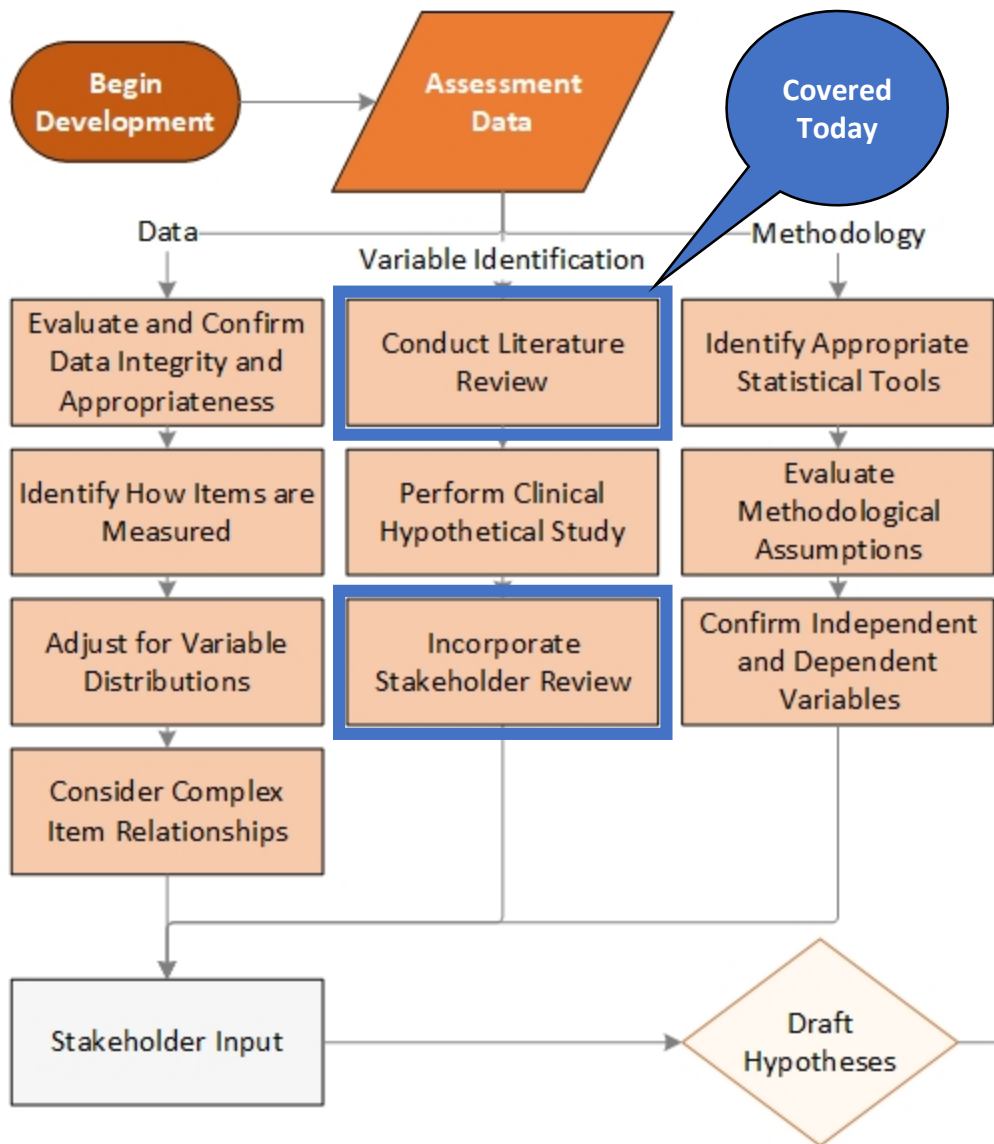
## Refinement



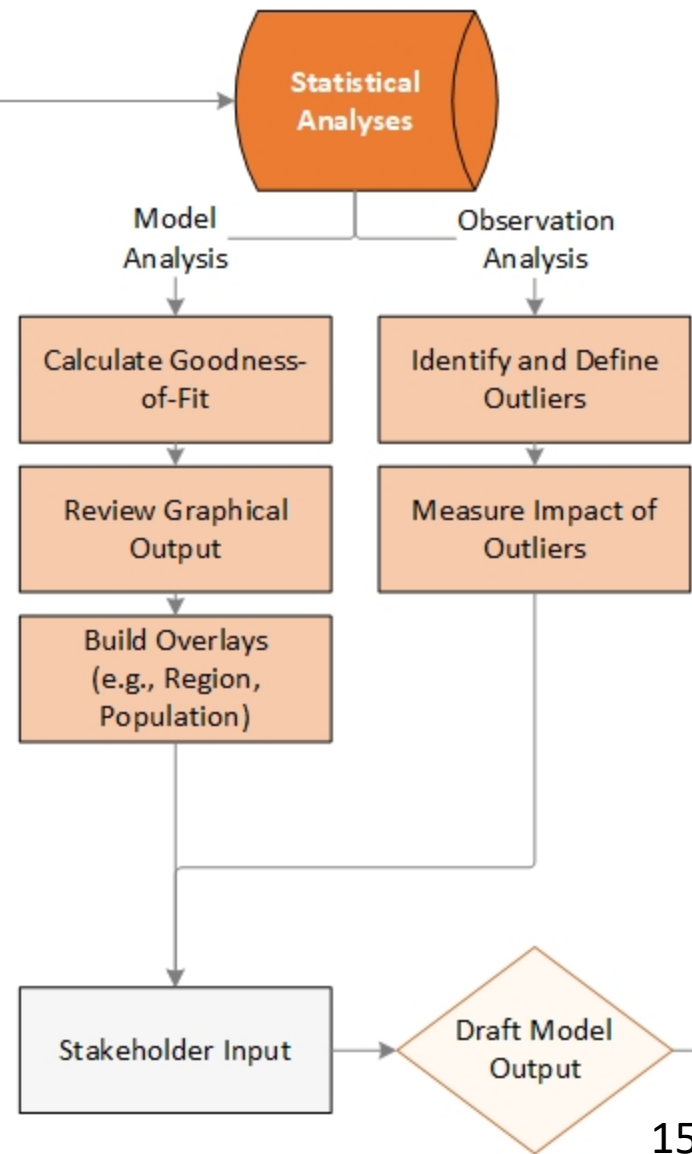
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PCBA Development Stages

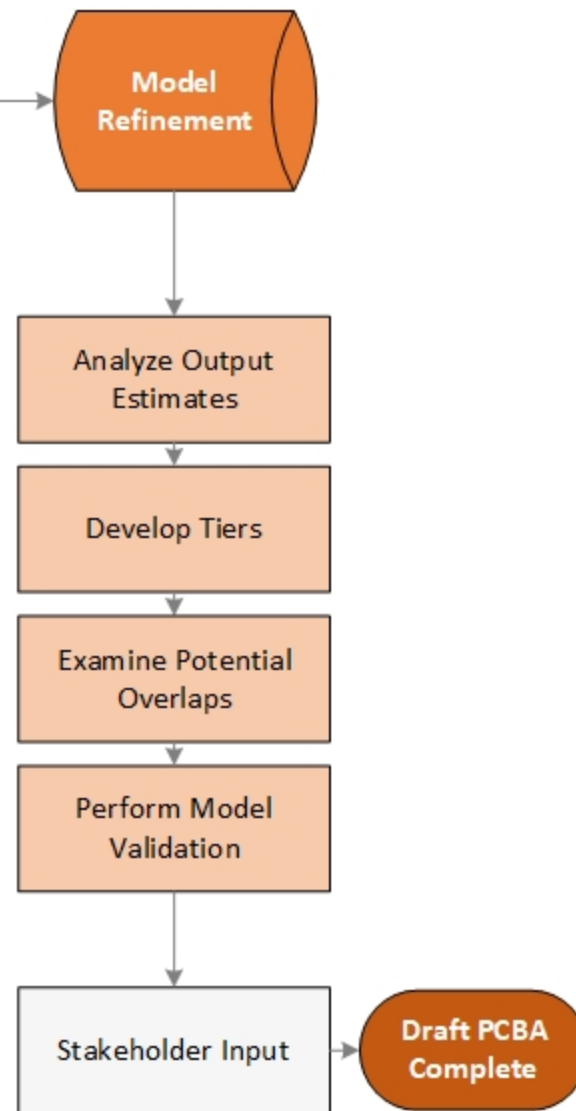
## Hypothesis



## Testing



## Refinement



# Critical Variable Survey



# Critical Variable Survey

- 69 questions
- Each question asked how important a section of the profile was for determining relative need
- TAG members (n=16) responded to each question on a scale from 1 (Not Important) to 5 (Very Important)
  - Clinical Hypothetical Study n=26
- Questions were grouped into categories for the purposes of analysis

<b>Average Critical Variable Survey Scores by Category</b>		
<b>Category</b>	<b>Average Score (TAG)</b>	<b>Average Score (CH)</b>
Memory and Cognition	4.94	4.26
Supervision	4.81	4.26
Hospital Level of Care	4.63	4.19
Psychosocial	4.26	4.02
Functioning	4.25	3.48
Conditions and Medications	4.22	3.72
Sensory	4.06	3.02
Health	3.93	3.15
Age	3.44	3.48
Employment	3.13	2.37

## Critical Variable Survey Key Items

Item	Average Score (TAG)	Average Score (CH)
Memory and cognition	4.94	4.26
Psychosocial (Physically aggressive or combative)	4.94	4.67
Psychosocial (Injurious to self)	4.88	4.67
Psychosocial (Psychotic symptoms)	4.81	4.33
Supervision	4.81	4.26
Health (Medications)	4.75	3.74
Psychosocial (Wandering/elopement)	4.75	4.59
Functioning (Mobility and Transfers)	4.69	4.22
Functioning (Eating)	4.69	4.00
Psychosocial (Fire setting or preoccupation with fire)	4.69	4.59

# Critical Variable Survey

- TAG survey results generally agreed with CH survey results
- Top four categories same between two groups
- Top ten sections identified by TAG all rated 3.74 or above by CH
  - Nine out of ten rated 4.00 or above
- Results will be used to inform development of draft hypotheses



# Questions?



# Literature Review



# Literature Review

- Structure
- Types of Sources
- Topics Covered
- Frequently Asked Questions
- Lessons Learned

# Structure

1. Excel Spreadsheet
2. Summary PDF
3. Attached sources for unavailable or subscription-required live links



# Types of Sources

- Academic
- Industry
- Legal
- State

# Topics Covered

- Rationale for using assessments to determine relative resource need
- Retrospective vs. prospective budgeting
- Operational considerations
- Individual budgeting discussions

# Topics Covered Cont.

- Resource allocation model transition processes
- State-specific assessments
- Assessment sample size
- Programs/populations covered
- Lessons learned
- Other

# How the Literature Answers Frequently Asked Questions



# Frequently Asked Questions

- Will the PCBA be the sole determinant of resource need?
  - No, various states provide frameworks for use.
  - Lessons learned in New Mexico indicate that an algorithm cannot be the sole determinant of resource need.

# Frequently Asked Questions

- Is CO the first state to develop a Resource Allocation Model?
  - No, example states are provided in the PDF summary narrative.
  - Louisiana, Minnesota, North Carolina, and Washington, among others, have built Resource Allocation Models.

# Frequently Asked Questions

- Will the PCBA use the SIS?
  - No, but because the SIS is widely used, many sources use/describe it.
  - Examples of algorithms developed with state-specific assessments are provided.

# Frequently Asked Questions

- Will the PCBA only use ADLs/IADLs?
  - No, examples of models that incorporate variables beyond ADLs/IADLs are included.
  - Psychosocial and health needs are used in Minnesota.
  - Memory and cognition considerations are mentioned in industry papers.



# Frequently Asked Questions

- Will the PCBA rely on historical utilization?
  - HSRI's paper discusses "innate issues" with relying on past spend, past policy, service availability, and natural/hidden supports.
  - The PCBA will be based on the new HCBS Assessment.
  - Past utilization may be used, with consideration of these topics, for benchmarking.

# Frequently Asked Questions

- Sample size for model development?
  - Must sufficiently cover all population groups utilizing the tool.
  - Louisiana needed to add more data points for adequate statewide coverage.

# Frequently Asked Questions

- Will the PCBA be identical for Adults and Children?
  - No, variations between populations are discussed in the University of Kansas paper.

# Frequently Asked Questions

- Do other resource allocation algorithms effectively predict resource use?
  - Yes, although the extent varies. Louisiana's documentation indicates that algorithms improve as more data become available.
  - Algorithms cannot fully capture every individuals' need. New Mexico's experience calls for a broader person-centered planning process.

# Lessons Learned through Literature Review

- Broader person-centered planning process
- Representative sample sizes
- Stakeholder involvement
- Continued communication
- Transition planning



# Questions?



# Next Steps

- Feedback on proposed timeline and communications plan
- Broader communication and Statewide Meeting once approval received to move funding forward
- PCBA Exceptions Process engagement starting Spring 2021
- PCBA Development engagement starting Fall 2021

# Stay Engaged

- [LTSS Assessment and Support Plan Webpage](#)
- [Person-Centered Budget Algorithm Webpage](#)
- [Office of Community Living Stakeholder Webpage](#)
- [Sign up](#) for Constant Contact email announcements



# Contact Information

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# Thank you!