

**DHR/OLM Quarterly Provider Meeting
IRC Rate Reform Update
February 26, 2016**



On behalf of the Interagency Rates Committee (IRC), Sheila Philip provided a brief Rate Reform Update that included a general overview of the rate setting process. Providers were directed to take individual agency specific questions to their licensing agency or IRC staff, as appropriate.

The following is a brief summary of the presentation:

1. A validation process was added to the spreadsheet workbook. Electronic budgets will initially be run through the validation process to identify possible errors on submitted budget forms. This is a prime example of why budgets must be submitted on a CD. Examples of results from this process may include alerts to cells not being manually filled in where a manual entry is required, manual entries that were made where formulas should be, error messages on forms containing built in checks, etc. The results of this validation process will be used as a tool by the IRC and IRC staff in the initial follow-up with providers.
2. The spreadsheet will alert the IRC and IRC staff if a provider would be deemed non-preferred.
 - a. The IRC is looking to structure the process so providers will be contacted prior to a non-preferred status being placed on their program's rate. There should not be any case where a provider would be deemed non-preferred without a conversation with IRC staff.
 - b. The IRC will be looking at different kinds of comparisons of providers within categories and related costs. The heaviest cost areas are driven by staffing, specifically costs within the care and supervision area. The IRC will be looking at providers within categories by the Care and Supervision LOI and direct child care totals. This will also provide the IRC with some insight where costs might vary.
 - c. The IRC will look at staffing ratios and how compares to LOIs and review the impact on submitted budgets. This may lead to additional conversations with licensing.
 - d. Approximately 16 programs are identified as having rates that are listed as non-preferred.
3. The IRC is aware that the required occupancy minimums have been a part of the ongoing rate reform conversation, and understand this issue remains a concern for many providers. The State Agencies intend to address this through ongoing rate reform conversations.
4. IRC staff are currently reviewing the approximately 140 submitted applications. Providers will be contacted as soon as possible regarding missing information, problems with submitted CD, or issues identified with submitted budget applications that may need clarification. This may include forms submitted with error messages, formulas being changed, information input manually in cells containing formulas, etc.

It is anticipated that the FY 2017 rate setting process and review should result in more interaction with the IRC and will help the process overall.