

Data Collection and Rate Setting

Aged and Disabled Waiver
Traumatic Brain Injury Waiver
Personal Assistance Service
April 22, 2022

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Agenda

- ▶ Introductions
- ▶ Overview of Cost Survey Process
- ▶ Overview of Rate Setting Process
- ▶ Next Steps
- ▶ Questions

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Introductions

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- ▶ Lily Kathee-Harner, DHHS Deputy Director DDD
- ▶ Jeremy Brunssen , DHHS Deputy Director MLTC
- ▶ Karen Houseman, DHHS Program Manager
- ▶ Swikriti Lamichhane, DHHS Project Manager
- ▶ Charles Waity, DHHS Data Administrator
- ▶ Marlinda Mead, DHHS Program Manager

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Introductions



CBIZ Optumas

Consultants • Actuaries • Economists

- ▶ Martin McNamara, PSM, Project Lead
- ▶ Tomas Abrate, Consultant
- ▶ Max Breitweiser, Consultant
- ▶ Megan Frenzen, MSc, PhD, Subject Matter Expert
- ▶ Ainsley Ramsey, Project and Actuarial Support

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Introductions



- ▶ Krista Stephani, CPA, Project Manager
- ▶ Lesley Beerends, MBA, CPA, Senior Consultant

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Overview of the Cost Survey Process

▶ Setting rates for Home and Community Based Services generally

involves the following steps:

1. Pre-Design Review
2. Evaluate Rate Design Options
3. Collect Data
4. Analyze Data
5. Rate Development

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Pre-Design Review

- ▶ Identify the Array of Services to Include in the Cost Survey
- ▶ Review Service Definitions
 - ▶ Ensure the state policy team and the provider community have the same understanding of service definitions and expectations.
- ▶ Provider Qualifications
 - ▶ Review Waiver/Rules to obtain an understanding of the Direct Service Provider (DSP) qualifications.
- ▶ Engage Stakeholders
 - ▶ Stakeholder engagement is critical for the success of cost surveys and rate development.

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Evaluate Rate Design Options

▶ Identify Rate Components

- ▶ Common rate components include Direct Service Provider (DSP) Wages, Employee Benefits, Supervisor Wages, Program Related Expenses and Administrative and General Expenses.
- ▶ Some services may also incorporate a transportation component.
- ▶ Other non-cost items, such as staffing ratios and units/hours of service, productivity levels, DSP training and paid time off should also be identified.
- ▶ Although the specific rate methodology may not be determined, identifying the various components is integral to designing a meaningful cost survey.

▶ Identify Potential Data Sources

- ▶ Other sources for data may be used in place of or to confirm cost data.
- ▶ These sources include national publications, such as Bureau of Labor Statistics (BLS), other information available from the State that is specific to the program, surrounding **NEBRASKA** state data, or commercial/market research.

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Collect Data

- ▶ Design and Issue a Cost Survey
 - ▶ The cost survey will be designed to meet the needs for setting rates.
- ▶ Conduct Training
 - ▶ Training will be provided on how to complete the cost survey.
 - ▶ The training will be a live webinar that will be recorded. The recording will be posted for on-demand viewing.
 - ▶ Additional trainings may be conducted, if there is a need.

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Collect Data - Continued

- ▶ Maintain Frequently Asked Questions (FAQ) Documents and Provide Support
 - ▶ FAQ documents will be created and updated to reflect questions asked by the provider community. The document will be posted on a publically available site.
 - ▶ Providers will be given Myers and Stauffer contact information so questions can be asked as providers are completing the cost survey.
- ▶ Gather Data from Other Sources
 - ▶ While cost surveys are being completed, we will gather data from other sources. This data is used for analytical review during the data analysis phase.

Analyze Data

- ▶ Validate Data
 - ▶ Myers and Stauffer will review cost surveys for completion and will also confirm surveyed expenses to supporting accounting records.
 - ▶ Myers and Stauffer will also perform analytical procedures on the data submitted in the cost survey. The analytical procedures assist in validating the accuracy of the submitted data.
- ▶ Compare Data Across Providers
 - ▶ Myers and Stauffer will compile the data from all submitted cost surveys to evaluate information for the industry.
 - ▶ During this process, we will review the data and may reach out to providers with specific questions about their data to verify accurate reporting.

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Analyze Data - Continued

- ▶ Compile and Aggregate Data
 - ▶ Once all data is compiled and analyzed, we will compile the information in a meaningful way to assist with rate setting efforts.

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Rate Development Process Overview

- The following are all part of the rate develop process:
 - General Rate Considerations
 - Hourly Wages for DSPs
 - Employee Related Expenses (ERE)
 - Staff Availability
 - Program Support
 - Administration
 - Staffing per Unit/Staffing Ratios
 - Rate Structure Example

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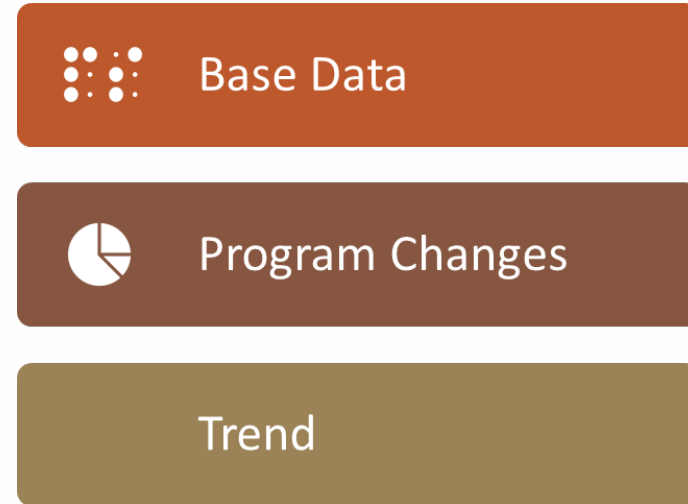
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General Rate Considerations

- ▶ Objective: Match payment to risk.
- ▶ Four determinants of risk:
 - ▶ Program design
 - ▶ Population
 - ▶ Covered benefits
 - ▶ Service delivery networks



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Hourly Wages of DSPs

- ▶ Data Sources:
 - ▶ Bureau of Labor Statistics Wage Data
 - ▶ Data from Providers
- ▶ Trend data, as appropriate.
- ▶ Program changes:
 - ▶ Minimum Wage Changes
 - ▶ Other Changes
- ▶ Consideration of recent wage changes.

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Employee Related Expenses (ERE)

- ▶ ERE accounts for the non-wage costs related to employees, such as FICA and medical insurance.
- ▶ Data Sources:
 - ▶ Data from providers
 - ▶ Similar models in other states
- ▶ Applied to the rate as a **percent of wages**.

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Staff Availability

- ▶ Accounts for time required to provide the service that is not direct service time (i.e., not billable).
- ▶ Data Sources:
 - ▶ Data from providers
 - ▶ Similar models in other states

Total Hours	
Regular Hours	88%
Overtime Hours	5%
Holiday Hours	2%
Vacation Hours	4%
Sick Hours	1%
Other*	0%
Billable Hours	93%
Availability Factor	1.08

Program Support

- Non-direct support professional service specific component of the rate, such as supervisors or clinical support.
- Data Sources:
 - Data from providers
 - Similar models in other states
 - Service definitions
- Applied to the rate as a **percent of wages**.

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Administration

- ▶ General business supports that are necessary for providing services.
- ▶ Data Sources:
 - ▶ Data from providers
 - ▶ Similar models in other states
- ▶ Applied to the rate as a **percent of rate**.

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Staffing per Unit/Staffing Ratios

- ▶ Matches the number of DSP hours to the service unit.
- ▶ Data Sources:
 - ▶ Data from providers
 - ▶ Similar models in other states
 - ▶ Service definitions
- ▶ Applied as a **multiplier to other components.**

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Rate Structure Example

	Example Daily Service	Example Hourly 1:1 Service
Wage	\$ 13.61	\$ 15.12
ERE	30.0%	30.0%
Availability	1.14	1.32
Adjusted Wage	\$ 20.20	\$ 26.00
Mileage*	4.5%	4.2%
Program Support*	6.6%	10.4%
Administration*	5.1%	5.1%
Total Per Staff Hour	\$ 24.10	\$ 32.39
Hours	7.18	1.00
Rate	\$ 173.06	\$ 32.39

* Calculated as a percent of Total per Staff Hour/percent of Hourly Rate
(for Administration)

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Next Steps

- Develop provider cost survey
- Collect provider cost survey data
- Collect other provider feedback
- Develop rate models

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Questions?

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