

**State of Nebraska**

**Aged and Disabled Waiver, Traumatic Brain Injury  
Waiver, and Personal Assistance Service Rate Study  
Report**

December 7, 2022



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## Executive Summary

### Background

The Nebraska Department of Health and Human Services (DHHS) has engaged CBIZ Optumas to study service rates for the Medicaid Aged and Disabled Home- and Community-Based Services waiver (AD waiver), Medicaid Traumatic Brain Injury waiver (TBI waiver) and Personal Assistance Services (PAS) under the Nebraska Medicaid State Plan.

### Services Included in Rate Study

The following services are included in the rate study:

- Adult Day Health
- Assisted Living
- Chore
- Companion
- Extra Care for Children with Disabilities
- Home Again Service
- Home Delivered Meals
- Independence Skills Building
- Personal Assistance Services (Medicaid State Plan)
- Personal Care
- Personal Emergency Response System
- Respite Care
- Transportation

### Cost Surveys

To assess the costs of each service, cost surveys were gathered from providers. The responses included 32 assisted living providers, 12 agency providers of other services, and 165 independent providers.

### Rate Development

Optumas used a Direct Service Professional (DSP) Wage Model with components informed by the cost reports and publicly available data sources. The DSP Wage Model includes components for DSP wages, benefits, and other employee costs, program support costs, and administration. Each of these components is service-specific and are intended to match the requirements for each service to be provided.

### Rate Models

While the rate development process is described in this report, the rate models themselves can be found in the attached Excel document referenced in the Appendices.

## Cost Surveys

### Provider Surveys

CBIZ Optumas and its subcontractor, Myers and Stauffer, conducted a survey of providers of AD waiver services, TBI waiver services, and Personal Assistance Services. The survey for agency providers, including Assisted Living Providers, was administered via an Excel file, which providers completed and returned. For independent providers, the survey was administered via an online survey.

Providers were not required to respond to the survey and not all responded. Some providers may send late submissions which will be incorporated into the analysis as the timeline permits. The following is a breakdown of current response counts:

- Assisted Living: 32 responses representing \$10M in Medicaid-associated revenue and \$33M in revenue including payments for Assisted Living services from other payers.
- Other Agency Providers: 12 responses representing \$10M in Medicaid-associated revenue.
- Independent Providers: 165 responses.

The following tables include counts of provider responses by service, allowing providers of multiple services to be counted multiple times:

Agency Provider Services	Responses
Assisted Living	33
Adult Day Health	2
Personal Care	8
Respite Care	11
Chore Historical	5
Chore	4
Companion	6
Extra Care for Children with Disabilities	5
Non-Medical Transportation	1
Home Delivered Meals	6
Personal Assistance Services	1

Individual Provider Services	Responses
1113 - Respite In Home	31
2500 - Extra Care for Children with Disabilities in home	19
4475 - Personal Assistance Services (Medicaid State Plan)	32
5761 - Personal Care	105
6496 - Chore	30
6579 - Transportation by an individual, provider per mile	8
7122 - Transportation by commercial wheelchair accessible van, per base rate	2
7272 - Escort/attendant service by an individual provider, per quarter hour	2
7395 - Respite Care	14

Individual Provider Services	Responses
7593 - Transportation by commercial wheelchair accessible van, per additional mile	2
8234 - Home Again Service	1
9233 - Independence Skills Building in home	2
9510 - Companion	54
9704 - Extra Care for Children with Disabilities	12

## Rate Model Development

The type of rate model CBIZ Optumas uses is a DSP (Direct Service Professional) Wage Model. The DSP Wage Model begins with the DSP wages, representing the practical reality that the service is delivered by the DSP and other components of the rate are in support of that activity. The components of the DSP Wage Model include:

1. **Direct Service Professional Wages:** The DSP Wage Model starts with DSP wages, reflecting DSP time as the basis for the service. CBIZ Optumas used both provider historical expenditures and information from the Bureau of Labor Statistics (BLS) to inform the base wages. From there, wage growth projections from the Congressional Budget Office were used to inflate wages to correspond to the future time period when rates may be applied (State fiscal year 2024). Wages are varied between services to reflect the different levels of training and experience required to provide different services and support people with varying needs.
2. **Availability Factor:** CBIZ Optumas adjusted wages for DSP time spent on necessary activities that are not direct service (e.g., service planning meetings, reporting) by incorporating an availability factor. The information used in these factors was primarily from the agency cost reports and supplemented with assumptions used in other models for similar services. The availability factor varies by service to reflect different levels of training, reporting, and planning necessary for each service.
3. **Employee-Related Expenses (ERE):** To account for employee-related costs such as insurance and retirement, CBIZ Optumas added a percentage to the wages as an ERE-specific component. Provider cost reports were the primary data source for ERE, with rate models from other states used as a supplement.
4. **Program Support:** Program support costs, the non-DSP service-specific component of the rate such as supervisors or clinical support, are the next adjustment and were included as an additional relative percentage. The percentage is informed by provider cost surveys. The estimated growth in wages will also indirectly apply to this adjustment since it is constructed as a relative percentage of wages. The program support costs were evaluated across similar services to increase sample size and to make services reasonable when compared to each other.
5. **Administration:** CBIZ Optumas included administrative costs, which comprise the general business supports necessary for providing services, as a percentage of the rate. This component was informed by provider cost reports, but CBIZ Optumas used benchmark comparisons between providers, service types, and similar rate models for other states to help ensure the administration component is appropriate. The estimated growth in wages will also indirectly apply to this adjustment since it is constructed as a relative percentage of wages.
6. **Other Components:** CBIZ Optumas included other appropriate components (e.g., transportation costs) when they were included as part of the service definition or are required for delivering the service. Information from provider surveys was used as the primary data source where available.
7. **Staffing Per Unit/Staffing Ratios:** The final step in customizing the DSP Wage Model was to adjust the model for the number of hours of staff time provided for each unit, first to address staffing

ratios and second to address the unit of service (e.g., an hour or a day). Provider surveys were the primary data source for staffing ratio information.

## Proposed Rates

The following table shows proposed rates by service. Further details on the rate build-ups are shown in Appendix I.

Service	Provider Type	Unit	Proposed Rate
Adult Day Health	Agency	Daily	\$ 77.72
Assisted Living Facility Urban Single Occupancy	Agency	Daily	\$ 78.45
Assisted Living Facility Rural Single Occupancy	Agency	Daily	\$ 78.45
Chore	Agency	Hourly	\$ 32.45
Companion	Agency	Hourly	\$ 33.42
Companion	Independent	Hourly	\$ 19.16
Extra Care for Children	Agency	Hourly	\$ 34.71
Extra Care for Children (2 Clients)	Agency	Hourly	\$ 17.56
Extra Care for Children (3 or More Clients)	Agency	Hourly	\$ 11.85
Extra Care for Children	Independent	Hourly	\$ 21.16
Extra Care for Children (2 Clients)	Independent	Hourly	\$ 10.69
Extra Care for Children (3 or More Clients)	Independent	Hourly	\$ 7.20
Home Again Service	Agency	Hourly	\$ 40.80
Home Again Service (Independent)	Independent	Hourly	\$ 21.64
Home Delivered Meals	Agency	Meal	\$ 7.19
Independent Skills Building	Agency	Hourly	\$ 43.63
Independent Skills Building (Independent)	Independent	Hourly	\$ 22.92
Personal Assistance Service	Agency	Quarter Hour	\$ 10.91
Personal Assistance Service	Independent	Quarter Hour	\$ 5.73
Personal Care Service	Agency	Hourly	\$ 43.63
Personal Care Service	Agency	Occurrence	\$ 22.74
Personal Care Service	Independent	Hourly	\$ 22.92
Personal Care Service	Independent	Occurrence	\$ 12.25
Personal Emergency Response System	Agency	Hourly	\$ 55.29
Respite	Agency	Hourly	\$ 42.76
Respite (2 Clients)	Agency	Hourly	\$ 21.64
Respite (3 or More Clients)	Agency	Hourly	\$ 14.60
Respite	Independent	Hourly	\$ 20.93
Respite (2 Clients)	Independent	Hourly	\$ 10.57
Respite (3 or More Clients)	Independent	Hourly	\$ 7.12
Transportation	Agency	Per Mile	\$ 1.29
Transportation	Independent	Per Mile	\$ 1.05



## Ongoing Update Recommendations

To ensure rates remain reasonable for providers, Optumas recommends that DHHS review rates regularly as trends for wages and other costs vary year to year. One specific consideration is the minimum wage. Starting January 1, 2023, the minimum wage in Nebraska was raised to \$10.50. The minimum wage will increase in subsequent years up to \$15.00 on January 1, 2026. The wages included in these models are generally already above that minimum wage, though Optumas recommends that DHHS consider an annual trend based on the Consumer Price Index or another economic indicator to ensure rates remain reasonable as long as possible.

## Appendices

The rate models are contained in the following accompanying Excel workbook:

NE AD-TBI-PAS Rate Study Rate Models FINAL to Client.xlsx