
Maine Office of Aging and Disability Services

Sections 21/29 Waiver Rate-Setting Initiative

**Overview of Proposed Rate Models and
Changes to Service Requirements**

July 23 – 24, 2014

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Agenda

- Purpose
- Process
- Results
- Next Steps

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Purpose

- Perform a comprehensive review of provider rates
 - Review does not include Family-Center Support, Shared Living, and a few other seldom-utilized services
- Enhance the system of community services
 - Add Respite to Section 21 support members and their families
 - Incentivize employment supports
 - Change negotiated Agency Home Support rates to 'true' per diems, establishing greater consistency across providers and members
- Increase support for direct care workers
 - Provide competitive wages, benefits, and training
- Reflect differences in individuals' levels of need
 - 'Tiering' rates for Agency Home Support and Community Support

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Process

- Burns & Associates, Inc. contracted to assist with the rate-setting initiative
- Review service definitions and requirements
- Collect input from provider community
 - Provider Advisory Group
 - Survey on costs and service design sent to every provider
- Conduct research on cost drivers
 - Example: Bureau of Labor Statistics wage and benefit cost data
- Review rates for comparable services in neighboring states (i.e., CMS Region 1)

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Process (cont.)

- Develop detailed rate models and supporting documentation outlining assumptions
- Provide opportunity for public comment (see Next Steps)
- Revise rates as appropriate and finalize
- Promulgate revisions to benefit manual
- Submit waiver amendment to Centers for Medicare and Medicaid Services
- Implementation (see Next Steps)

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Process (cont.)

- Rate models include specific assumptions regarding direct care wages and benefits, transportation costs, staffing ratios, administration and program support, etc.
- Providers do not have to follow the assumptions and have flexibility to design their own programs (within the service definitions and requirements)
- Benefits
 - Transparency – assumptions are clear to everyone
 - Easy to maintain – OADS can change any specific factor as necessary (for example, to increase the mileage rate)

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Process – Direct Care Worker Wage Assumptions

- Federal Bureau of Labor Statistics (BLS) reports wage levels in Maine for hundreds of job classifications, but most are not identical to waiver direct support professionals
 - Compared waiver service definitions to BLS job classification descriptions to ‘construct’ a position reflective of job responsibilities
 - Used median wage for BLS job classifications
- Wage assumptions are at least 15 percent higher than wages reported in the provider survey
- See Appendix A in Proposed Rate Models packet

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Process – Direct Care Worker Benefit Assumptions

- Considered BLS benefits survey
- Rate models allow for:
 - 25 paid days off per year (holiday, sick, and vacation leave)
 - \$400 per month for health insurance for each worker
 - \$25 per month for other benefits
 - Non-discretionary benefits (FICA, unemployment insurance, workers’ compensation)
- Assumptions are translated to benefit rates that vary by wage level
 - Benefit rates significantly greater than reported in provider survey
- See Appendix B in Proposed Rate Models packet

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Process – Direct Care Worker Productivity Assumptions

- Productivity adjustments account for the non-billable time of direct care workers (such as attending a training)
 - Adjustments build the costs of these functions into the rates
- Considered provider-reported data and service requirements
- See Appendix C in Proposed Rate Models packet

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Process – Administration and Program Support

- Administration funded at 10 percent of total rate
- Program Support is funded on a per unit (hourly or daily) basis to account for the higher support costs associated with delivering services to groups of individuals
 - Rate across all services is about 10 percent, but varies from service to service
 - Example: on a percentage basis, Tier 1 Community Support receives 29 percent for program support while Work Support-Individual receives 9 percent

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Results – Summary

- Based on fiscal year 2013 utilization, Section 21 spending would be reduced by about 7.2 percent
- Changes vary by service with some increasing and others declining
- Estimates do not account for caseload growth, changes to service limits or use of new services (such as Respite)
 - Much of the reduction associated with rate changes will be offset by permitting individuals to increase their utilization of Community Support and Work Support

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Results – Agency Home Support

- Proposed rates are ‘true’ per diems based on home size and individuals’ level of need
 - Replacing current system in which the number of hours per home are negotiated between providers and case managers, creating inconsistencies across homes
- Revenue per staff hour ranges between \$22 and \$26 compared to existing range of \$20 to \$22
- Models generally include fewer staff hours per home
 - Much of this difference relates to the expectation that individuals participate in day services during the week
 - Aligns with recent federal rules regarding home and community-based services
 - See Appendix D of the Proposed Rate Models packet for specific assumptions

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Results – Agency Home Support (cont.)

- Proposed rate models build in 15 annual absences
 - Fully compensates providers in 350 billing day limit
- Staff will be required to be awake during overnight shifts
- Average daily rate is anticipated to be 8.0 percent less than current average

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Results – Home Support Quarter-Hour

- Proposed rate model includes a ‘short-term’ rate for the first six hours of billing in a day and a ‘long-term’ rate for additional hours
- Proposed rate model includes group rates for (infrequent) instances when multiple individuals are served
- There is no Medical Add-On rate
- Proposed rate is about 17.7 percent greater than current rates (even accounting for Medical Add-On services)

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Results – Respite

- Proposal adds Respite to Section 21
- Proposed rate model includes a ‘short-term’ rate for the first six hours of billing in a day and a ‘long-term’ rate for additional hours
 - There is no proposed per diem rate
- Proposed rate model includes group rates for instances when multiple individuals are served
- Proposed rate is more than double current Section 29 rate

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Results – Community Support

- ‘Standard’ (facility-based) rate model assumes that members spend 30 percent of their time in the community
 - There are also higher rates for ‘community-only’ programs in which members are always in the community (i.e., no services are delivered at a facility)
- Proposed rates are ‘tiered’ based on individual need and, therefore, varied staffing levels
 - Staffing ranges from 2.5 to 5 members per staff person in a facility and from 1.5 to 2.5 members per staff person in the community, compared to the current requirement of no more than 3 members per staff person

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Results – Community Support (cont.)

- Average proposed rate is 22.7 percent less than current rate
 - Revenue per staff hour ranges from \$41 to \$56, the highest among all services other than certain ‘professional’ services (such as therapies)
- It is anticipated that much of the decrease will be offset by the elimination of the current 21.5 hour per week limit, allowing additional billings

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Results – Work Support and Employment Specialist

- Proposed rate model for Work Support-Individual services is 46.1 percent higher than the current rates
 - There is no Medical Add-On rate
- Work Support-Group rates vary based on group size (up to 6 members per staff person)
- 850 hour per year limit for Work Support would be eliminated
- Proposed rate model for Employment Specialist Services is 36 percent higher than current rate

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Next Steps – ‘Informal’ Comment Period

- Proposed rates, supporting documentation, and changes to policies are being distributed to providers and other stakeholders and posted on the OADS website
 - Comment period also includes proposals related to Supports Intensity Scale (SIS)-based levels and individual budgets
- Written comments will be accepted at OADS@Maine.gov until 9/1/14
- Comments will be considered and proposed changes to rates and policies will be revised as appropriate

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Next Steps – Updating Standards and Waiver

- After the ‘informal’ comment period, revisions to the MaineCare Benefit Manual will be promulgated
 - Stakeholders will have opportunity to comment on these proposed rules
- A waiver amendment will also be submitted to the federal Centers for Medicare and Medicaid Services

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Next Steps – Implementation

- Members will be transitioned to the new rate schedule as their planning years come up
- Implementation will begin in July 2015
- Full transition will take one year
 - Two fee schedules will be in effect during that time

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