



BURNS & ASSOCIATES
A DIVISION OF
HEALTH MANAGEMENT ASSOCIATES

**I/DD Waiver Rate Studies
Initial Recommendations**

- prepared for -

**Alabama Department of
Mental Health**

October 28, 2022



■ Purpose of Presentation

- + Provide overview of *initial* recommendations from the rate and payment options study for services provided through the ID, LAH, and CWP waivers
 - + Public comments will be considered before recommendations are finalized
- + Ensure stakeholders understand the materials, data sources, calculations, and resulting recommendations so that they may review and offer comments
 - + HMA-Burns will be available throughout the public comment period to respond to any technical questions that stakeholders need addressed to provide comments
- + Encourage participation in the public comment process
 - + Comments regarding the recommendations should be submitted in writing to allow for the consolidation and review of all feedback

■ Agenda

- + Project Background
- + Rate Study Process
- + Rate Study Recommendations
- + Next Steps



PROJECT BACKGROUND

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■ Background

- + ADMH is conducting a study of payment rates for services for individuals with intellectual and developmental disabilities delivered through the Intellectual Disabilities and Living at Home waivers as well as the Community Waiver Program

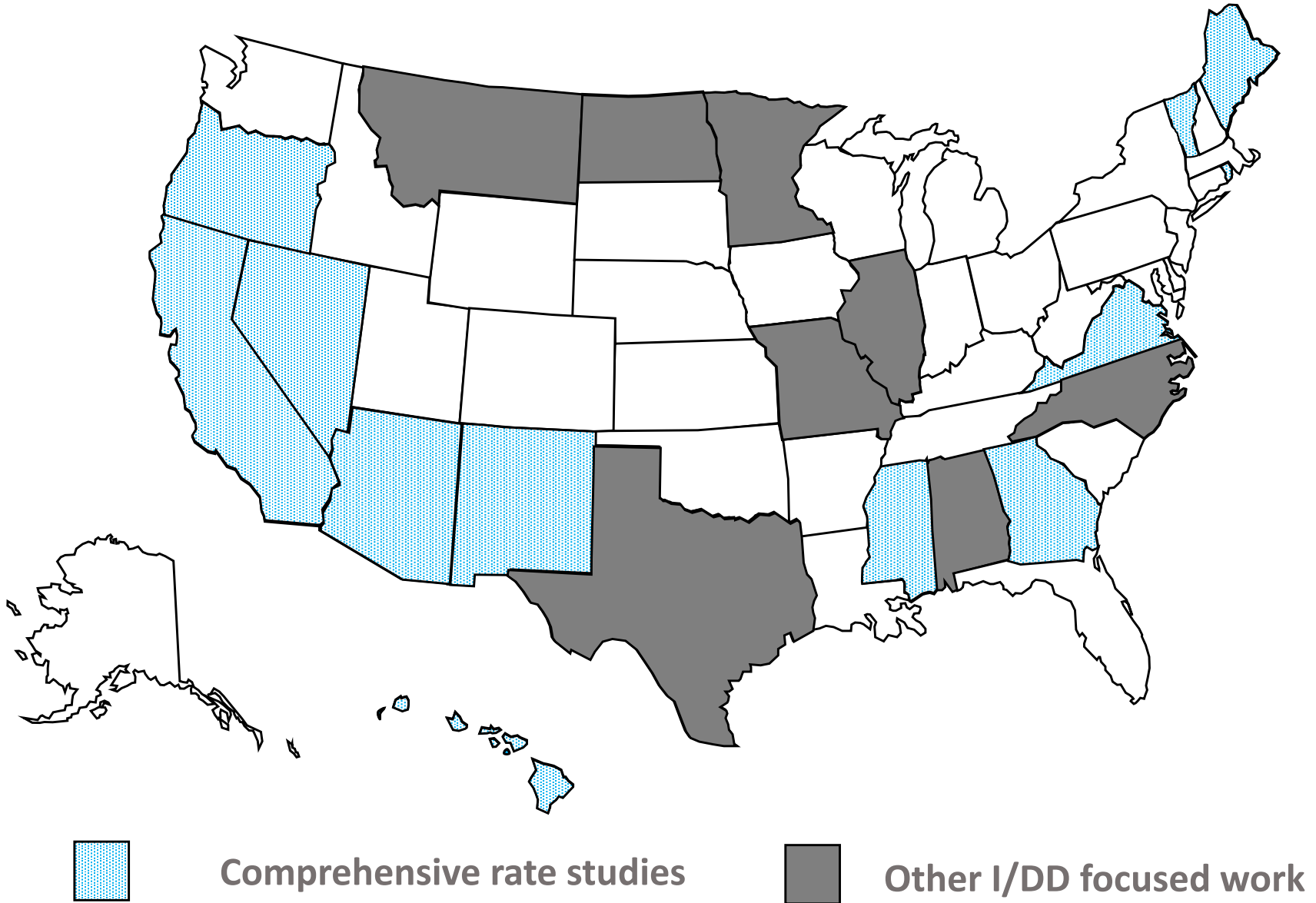
- + Rate study goals
 - + Standardize payment rates across I/DD programs where appropriate
 - + Tier payment rates base on individuals' level of need where appropriate
 - + Identify optimal rate methodologies for each service, including consideration of value-based payment options when possible
 - + Develop clear, transparent, and sustainable rate models for all services

- + ADMH contracted with the Burns & Associates division of Health Management Associates to assist with this study

Overview of Burns & Associates, a Division of Health Management Associates

- + Health policy consultants specializing in assisting state Medicaid agencies and related departments (developmental disabilities and behavioral health authorities)
 - + Consulted in approximately 30 states since its founding in 2006
 - + Acquired by Health Management Associates in September 2020
- + Experience in the intellectual and developmental disabilities field
 - + Policy development, including service standards and billing rules
 - + Rate-setting
 - + Using assessment instruments to inform individualized budgets
 - + Program operations, including performing fiscal analyses and developing implementation approaches

Burns & Associates' I/DD Experience



Burns & Associates' I/DD Experience

+ Results and status of HMA-Burns' rate study projects

State	Implementation Status	Fiscal Impact and Funding Status
Rhode Island	Implementation began in 2011	Proposed rates not implemented (Legislature imposed reductions requiring rates to be scaled back)
New Mexico	Implementation began in 2013	(\$10 million), funds were retained in the system
Arizona	Rates adopted in 2015	\$188 million (not fully funded; about \$50 million added in the years after the study)
Virginia	Implementation began in 2022*	\$358 million, fully funded
Oregon	Implementation occurring in phases between 2016 and July 2022	\$195 million, fully funded
Georgia	Implementation began in 2017*	\$74 million, fully funded
Hawaii	Implementation began in 2021*	\$26 million, half of the proposed increases were funded
Mississippi	Implementation began in 2017	\$20 million, fully funded
California	Implementation occurring in phases between January 2020 and July 2024	\$2.3 billion, fully funded
Maine	Implementation began in 2021*	\$2.5 million, fully funded
Nevada	Implementation under consideration	\$38.2 million
Vermont	Rate study still in process	N/A
*Implementation status based on most recent HMA-Burns' rate study		

Overview of Human Services Research Institute

- + HMA-Burns team includes HSRI as a subcontractor
- + National nonprofit, tax-exempt corporation founded in 1976
- + Works to improve supports for people with disabilities and other underserved populations
- + Experience in the intellectual and developmental disabilities field
 - + Supporting system redesigns, including service design
 - + Engaging self-advocates and families
 - + Adopting person-centered practices
 - + Using needs assessments to inform individualized budgets



RATE STUDY PROCESS

BURNS & ASSOCIATES, A DIVISION OF HMA

■ Summary and Goals of Independent Rate Model Approach

- + Rate models should reflect the reasonable costs providers incur to deliver services consistent with the state's requirements and individuals' service plans

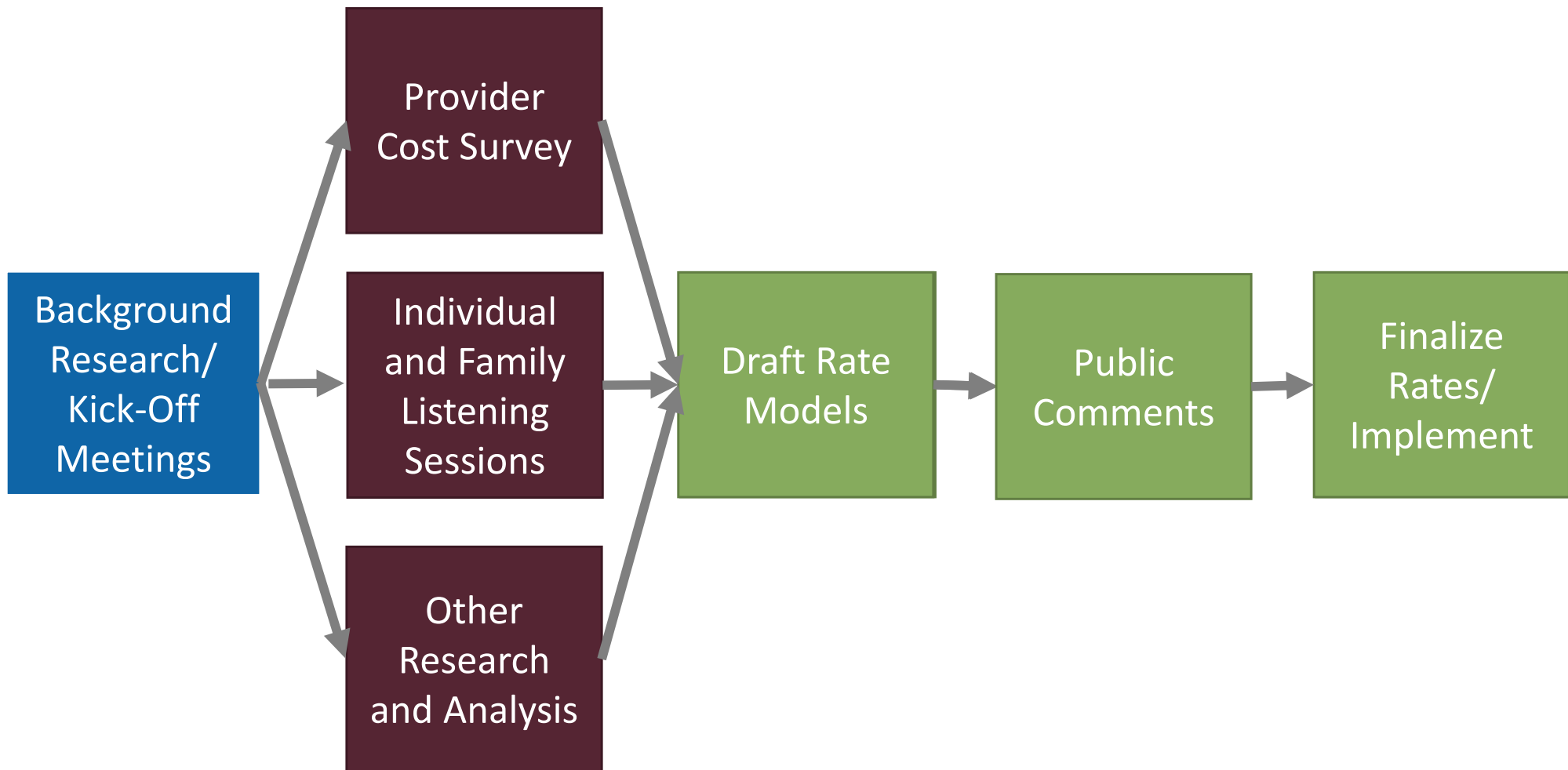
- + Consider data from multiple sources rather than depending on any single source
 - + Policies, rules, and standards
 - + Provider and stakeholder input (e.g., provider survey, public comments)
 - + Published sources (e.g., BLS wage data, IRS mileage rates)
 - + Special studies (e.g., benchmarking rates to other states' programs)

- + Rate models developed independent of budgetary considerations
 - + Cost impact will be considered as part of implementation planning

■ Benefits of Independent Rate Model Approach

- + Transparency
 - + Models detail the factors, values, and calculations that produce the final rate
- + Ability to advance policy goals/objectives
 - + For example, improving direct care staff salaries or benefits, reducing staff-to-client ratios, incentivizing community-based services, etc.
- + Efficiency in maintaining rates
 - + Models can be scaled and adjusted over time to account for inflation or changes to specific cost factors (e.g., IRS mileage rate)

Rate Study Process



■ Background Research and Kick-Off Meetings

- + “When you’ve seen one I/DD system...you’ve seen one I/DD system”

- + Comprehensive review of the state’s service array
 - + Review of state and federal requirements
 - + Review of billing units and limitations
 - + Identify possible revisions/modifications to services

- + Meet with the state team as well as stakeholders to discuss current services and rates and potential opportunities for improvement

■ Provider Survey

- + Design and administration of survey to collect data regarding costs and service delivery issues (e.g., direct care staff productivity, staffing ratios, and mileage)
 - + Presented draft instrument to providers for feedback to ensure completeness and understandability
 - + Results inform, but do not dictate, rate model assumptions
- + Technical assistance
 - + Written instructions
 - + Recorded webinar to walk-through the survey
 - + Dedicated contact for questions
- + Analysis of survey results
 - + Received surveys from 42 of 163 providers that accounted for 42 percent of services delivered in fiscal year 2021
 - + Performed desk reviews of submitted surveys
 - + Performed statistical analysis

■ Individual and Family Listening Sessions

- + HSRI hosted sessions to collect insights from service recipients and family members
 - + Total of four one hour sessions held on September 7 and 8
- + Project background and context provided
- + Allowed attendees to share thoughts with prompts on broad topics
 - + What is working well with the services you receive?
 - + What characteristics would you like to see in the staff who provide your supports?
 - + Are you satisfied with your choice of providers?
 - + If you use self-direction, how well are you supported to direct the supports you receive?

■ Individual and Family Survey (cont.)

- + Key themes
 - + Attendees were concerned about the level of wages and benefits offered to direct support staff and recommended staff be paid higher wages
 - + Attendees recommended reimbursement rates cover more training opportunities for direct support staff and support coordinators
 - + Attendees found it difficult to find providers in rural areas
 - + Attendees would like ADMH-DDD to simplify the service request and appeal processes

■ Other Research and Analysis – Benchmark Data

- + Individual costs
 - + Alabama specific wage data from Bureau of Labor Statistics and wage inflation data from Bureau of Economic Analysis
 - + Alabama specific health insurance data from the U.S. Department of Health and Human Services' Medical Expenditure Panel Survey (MEPS)
 - + Internal Revenue Services' standard mileage rate

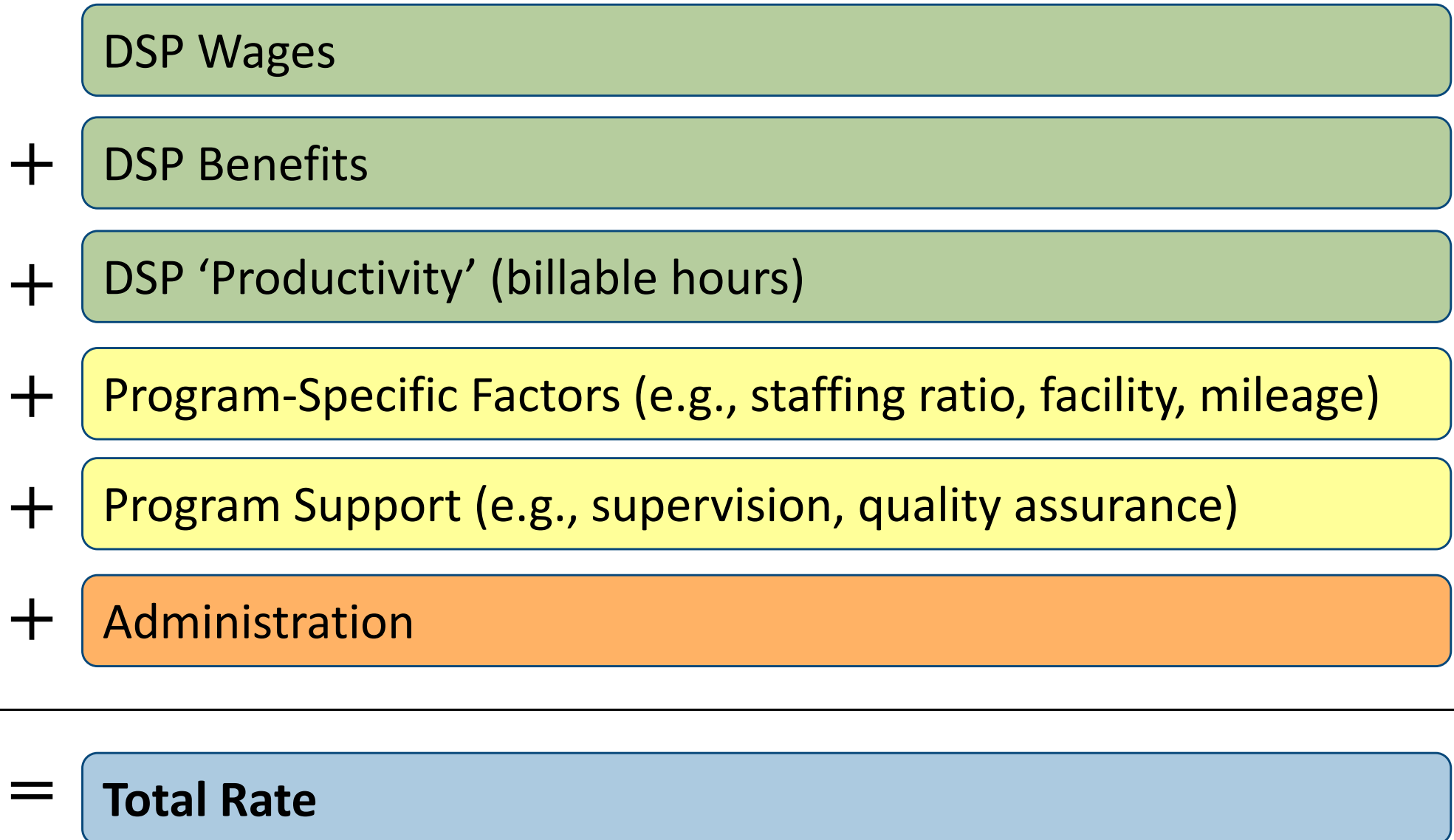
- + Benchmarking against comparable services in other states
 - + Payment rates
 - + Service requirements

■ Draft Rate Model Development

- + Determine rate model ‘variants’ (that is, a single service may have multiple rates to account for various differences)
 - + Individuals’ levels of need (affecting staffing levels, staff qualifications, etc.)
 - + Service setting (e.g., facility or community-based)
 - + Staff qualifications and training (e.g., RNs and LPNs)

- + Develop rate model structures and populate with detailed service and cost assumptions (e.g., staff wages and benefits, staffing levels, transportation, etc.)
 - + Consider results of research and analysis
 - + Assumptions are not mandates (i.e., a provider does not have to pay the wage assumed in the rate)

Draft Rate Model Structure



Public Comments

- + Post rate models and supporting materials online
 - + Present to providers and stakeholders
 - + Record webinar to explain the proposals
- + Accept written comments
- + Review and summarize comments

Finalize Rate Models and Implement

- + Revise rate models based on public comments as warranted
- + Provide implementation support as necessary
 - + Estimate fiscal impact and provide support in state budget process
 - + Create briefing materials
 - + Develop phase-in plan as needed

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RATE STUDY RECOMMENDATIONS

BURNS & ASSOCIATES, A DIVISION OF HMA

Summary of Results

- + Overall, proposed rates would increase total provider revenues by 30 to 35 percent compared to pre-public health emergency (PHE) rates (or non-temporary rates)
 - + Magnitude of the increase due to only modest increases in provider rates over the past 15-plus years
 - + Increases primarily driven by assumed increases in direct support compensation
 - + Rate increases vary by service (and some proposed rates represent reductions compared to current rates)
- + Rate increases will necessitate adjustments to Living at Home waiver budget limit
 - + Given tiered rates for Day Habilitation services, which is the most utilized service in the program, propose consideration of limits tied to individuals' levels of need (otherwise, individuals with greater needs have access to fewer services due to the higher rates paid for their care)

■ Wage Assumptions – Bureau of Labor Statistics Data

- + Appendix A of the rate model packets
- + Alabama wage data published by the Bureau of Labor Statistics used as the starting point for establishing market-based wage assumptions
 - + *Comprehensive*. Wage levels are published for more than 800 occupations based on data from 1.2 million establishments representing 57% of the employment in the United States
 - + *Cross-industry*. It is not limited to a single industry so estimates for a given occupation are representative of the overall labor market
 - + *Regularly updated*. Released once per year – in late March for the previous May (so most recent data published in March 2022 reflects May 2021 survey data)
 - + *State- (and local-) specific*. Data is published for individual states and sub-state regions ('metropolitan statistical areas')

■ Wage Assumptions – Accounting for Wage Growth

- + BLS wage data is inflated to April 2024 (the midpoint of the potential first full fiscal year of implementation)
- + Relies on data from the Bureau of Economic Analysis for net earnings growth in Alabama
 - + Models include 15.25 percent increase to BLS data based on 12 months at 7.9 percent (most recent annual figure) and remaining months at 3.5 percent (ten-year average)

Wage Assumptions – Crosswalking BLS Occupations to Waiver Services

- + For each service, BLS occupations are chosen to represent staff qualifications
 - + For some services, there is a direct match between the staff providing services and a specific BLS occupation (e.g., the BLS has a classification for registered nurses that can be used for nursing services)
 - + For other services, there is not a one-to-one match
 - + For example, the BLS combines direct support professionals with staff in other industries in the home health and personal care aide classification
 - + This classification may not represent the varied roles of DSPs so the rate models construct a weighted average of multiple BLS classifications

BLS Standard Occupational Classification	Weighting	75 %-ile Wage (Adjusted)
31-1120 Home Health & Personal Care Aides	55%	\$12.95
31-1131 Nursing Assistant	15%	\$16.40
31-1133 Psychiatric Aides	15%	\$16.14
39-9032 Recreation Workers	15%	\$16.68
Weighted Average Wage		\$14.51

■ Wage Assumptions – Direct Support Professional Wages

- + Generally, HMA-Burns uses the median (50th percentile) wages to populate rate models for services
 - + Median wage based on the BLS data and assumptions regarding relevant occupations would be \$12.67
 - + This wage is lower than what many providers report they currently pay
 - + At this wage, DSPs would be earning the same amount or less than cashiers, dishwashers, janitors, and retail clerks in Alabama (based on BLS data)
- + Due to current workforce and macroeconomic issues, HMA-Burns is recommending using the 75th percentile wages for DSPs
 - + Assuming the 75th percentile wage of \$14.51 allows providers to offer a modest premium compared to other lower-wage occupations, improving recruitment, retention, and service quality

Wage Assumptions – Comparison to Provider Survey Results

- + Wage assumptions included in the rate models are higher than wages reported through the provider survey
 - + For example, services with the greatest number of survey responses

Service	Provider Survey ¹ (No. of Surveys)	Proposed Rate Models	Percentage Difference
Residential Habilitation	\$13.00 (19)	\$14.51	12%
Personal Care	\$11.37 (11)	\$14.51	28%
Day Habilitation	\$12.50 (17)	\$14.51	16%

¹ Based on the calculated weighted average without outliers among employees, excluding employees reported as having supervisory responsibilities and contractors.

■ Payroll Tax and Fringe Benefit Assumptions

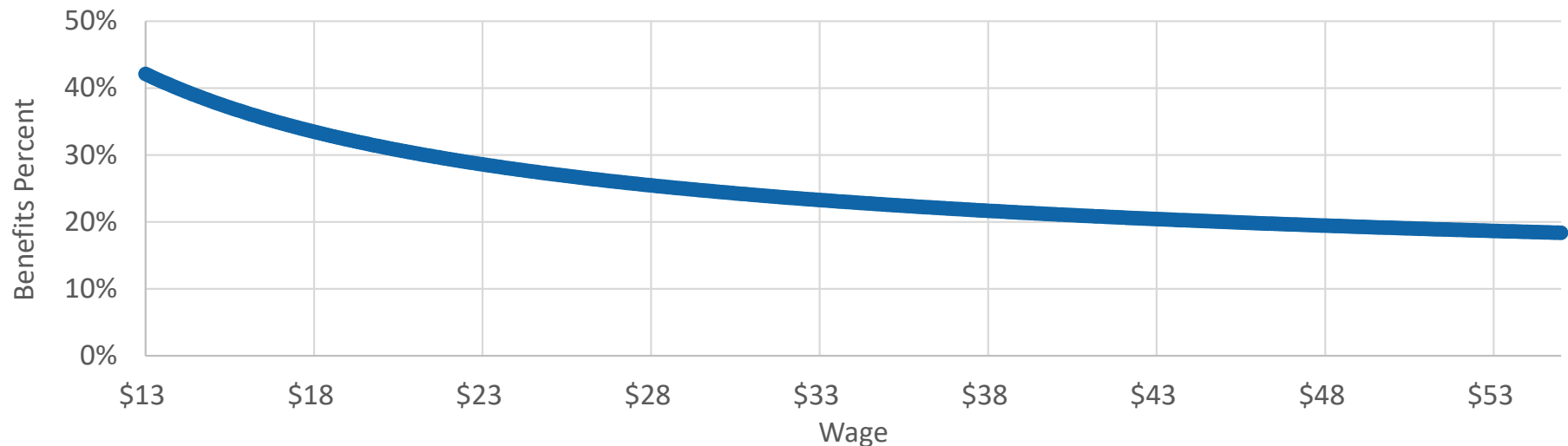
- + Benefit assumptions for direct care staff
 - + 25 paid days off per year (holiday, vacation, and sick leave)
 - + \$528.68 per month for health insurance
 - + Based on an assumed employer cost for a mix of employee only, employee plus-one, and family coverage options (take-up rate, mix of plans, and employer share of costs based on Alabama specific data from U.S. DHHS' Medical Expenditure Panel Survey)
 - + \$150.00 per month for other benefits (e.g., vision, dental, etc.)
- + For case management only, 11.44 percent for retirement contribution, to align with Alabama State Retirement System

■ Payroll Tax and Fringe Benefit Assumptions (cont.)

- + Payroll taxes
 - + Social Security and Medicare payroll
 - + Unemployment Insurance
 - + Federal tax at 0.60 percent on first \$7,000 in wages
 - + State tax at 2.70 percent (new employer rate in 2022) on first \$8,000 in wages
- + Workers' compensation rate of 3.38 percent

Payroll Tax and Fringe Benefit Assumptions (cont.)

- + Benefit assumptions are translated to benefit rates by wage level
 - + Paid time off is treated as a productivity adjustment (reduction in billable hours) rather than calculated as part of the benefit rate
 - + Since certain benefit assumptions are fixed, the benefit rate declines as the wage increases
 - + For example, the \$528.68 assumed for health insurance represents a larger percentage of the wage of someone making \$15.00 per hour than for someone earning \$50.00 per hour
- + Benefit rate assumed in rate models, by wage level (excludes paid time off)



■ Productivity Assumptions

- + Productivity adjustments are intended to recognize costs associated with direct care workers' non-billable responsibilities
 - + Ensures providers are compensated for activities that they cannot bill directly, such as the time direct support staff spend in training or traveling between service encounters
 - + Example
 - + An employee earning \$10 per hour (wages and benefits) and working 40 hours per week earns \$400 per week
 - + However, if the employer can only bill for 32 hours per week, a productivity adjustment of 1.25 is required (work hours divided by billable hours)
 - + Thus, the agency must be able to bill \$12.50 per service hour (\$10 multiplied by 1.25) to cover the cost of wages and benefits

■ Productivity Assumptions (cont.)

- + Assumptions are detailed within the rate model packet
- + Standard assumptions
 - + All services include 200 annual hours for paid time off (25 days as noted in the benefits assumptions section, an average of 3.85 hours per week)
 - + Training:
 - + In general, rate models include 40 annual hours for training (0.77 hours per week)
 - + For select services emphasizing community integration and requiring more individualized planning (e.g., Community Experience), 50 annual hours of training are included (0.96 hours per week)
 - + Most services include 1.00 hour per week for supervision and employer time

■ Productivity Assumptions (cont.)

- + Other productivity adjustments included in each rate model and the assumed amount of time spent on each are more variable across services
 - + Travel between service encounters
 - + Individual planning meetings
 - + Program set-up/ clean-up
 - + Recordkeeping and reporting
 - + Missed appointments
 - + Collateral contacts
 - + Employer network development

■ Administration and Program Support

- + Program support funds activities that are program-specific, but not billable
 - + Functions include supervision, training, program development and oversight, quality monitoring, and coordination of care activities
 - + Costs include wages and benefits of staff performing these functions, other expenses supporting these functions (e.g., facility-related costs, travel), insurance, etc.

- + Program support funded as a fixed daily amount to account for differences in individual and group services and in high-cost and low-cost services
 - + Services generally provided on a one-to-one basis are funded at \$30 per day while group services are funded at \$60 per day
 - + For select services emphasizing community integration and requiring more individualized planning, program support is funded at \$36 per day while group services are funded at \$72 per day
 - + Overall program support is consistent with values reported in provider survey (about 12 percent of provider revenues)

■ Administration and Program Support (cont.)

- + Administration funds activities that are not program-specific
 - + Examples include executive management, accounting, human resources
 - + Costs include wages and benefits of staff performing these functions, other expenses supporting these functions (e.g., facility-related costs, travel), information technology costs, consulting expenses, etc.
- + Rate models include 12 percent of the total rate for administration
 - + Although the administrative *rate* is less than the 15.4 percent reported in the provider survey, administrative *funding* remains relatively unchanged because the 12 percent administrative rate applies to a larger spending base
 - + Using a current rate of \$100 rate as an example
 - + Current administrative costs would be \$15.40 ($\$100 \times 15.4\%$)
 - + The proposed rates represent an overall increase of about 30 percent so the \$100 rate would become \$130 and funded administrative costs would be \$15.60 ($\$130 \times 12\%$)

Case Management (ID and LAH Waivers)

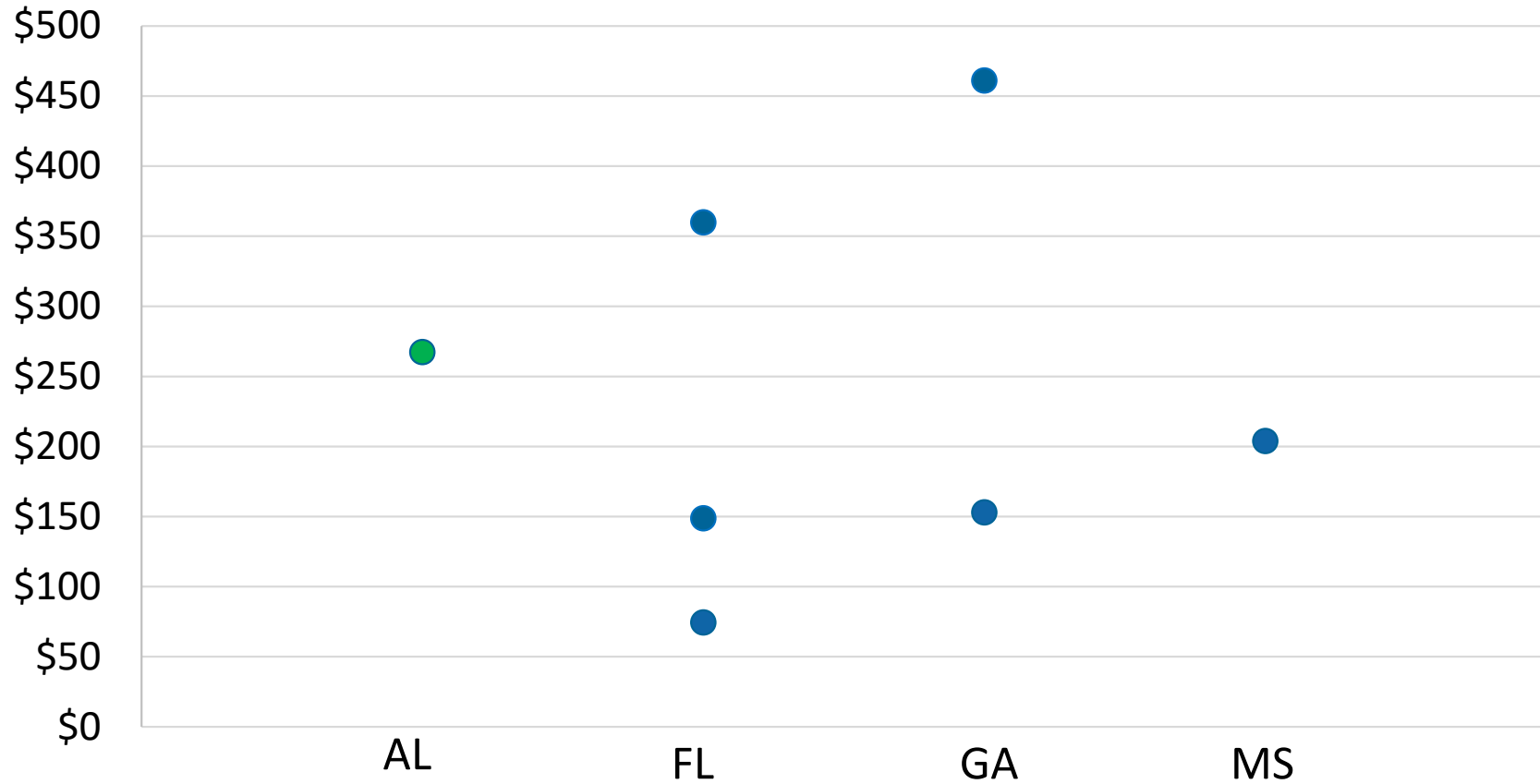
- + Rate study proposes to transition to a monthly rate, which is the most common reimbursement nationally
 - + Reduces administrative effort to track billable time
 - + Recognizes that case managers have substantial indirect responsibilities
 - + Increased predictability in provider revenues
- + Monthly case rate assumes an average caseload of 30
 - + Agencies will be required to maintain staffing that allows for an overall average caseload of 35 or fewer

Service	Billing Unit	Current Rate ¹	Proposed Rate	% Change
Case Management	Month	\$238.45	\$267.23	12%

¹Current rate is based on 5-minute units. For comparative purposes, a current average effective rate is calculated by dividing total spending by the number of months in which an individual received at least one paid unit of service

Case Management (ID and LAH Waivers) – Rate Comparison to Other States

Comparison of Case Management Rates (monthly)



■ Group Home (ID Waiver) – Bases of Rates

- + Rate study proposes to transition away from the Individualized Residential Budgeting Instrument (IRBI) to standard per diem rates, consistent with the approach employed in the majority of states
 - + Reduces administrative effort to establish rates for each individual home
 - + Results in more consistency across individuals and providers
- + Proposed rates vary by home capacity (3 or fewer residents, 4 or 5 residents, or 6 or more residents)
 - + Recognizes higher per-person costs in smaller homes due to the need to cover certain fixed costs (e.g., base staffing)
- + Proposed rates vary based on assessed need using the three ICAP groupings currently included in the IRBI
 - + Recognizes that people with greater support needs generally require more intensive staffing
 - + Given that many homes include a mix of individuals, proposed rates do *not* assume different wage levels based on ICAP grouping as in the IRBI

■ Group Home (ID Waiver) – Staffing Assumptions

- + Rates based on staffing assumptions that vary based on home size and level of need (see Appendix D of the rate model packet)
 - + Staffing models are not intended to be prescriptive and actual staffing plans are expected to meet the needs of the home and its residents
 - + Example for 4 and 5 bed homes

	Low	Mid	High
<i>Base Staff Hours</i>			
Hours in a Week	168.0	168.0	168.0
Assumed Hours in Activities Outside of the Home (Net)	(20.0)	(20.0)	(20.0)
Daytime Hours	92.0	92.0	92.0
Overnight Hours	56.0	56.0	56.0
Number of Staff on Shift During 'Peak' Daytime Hours	2	2	2
Number of Staff on Shift During Overnight Hours	1	2	2
Total Base Staff Hours	240.0	296.0	336.0
<i>'Floating' Staff Hours</i>			
Floating FTE per Week	0.00	0.00	1.00
Total Floating Staff Hours	0.0	0.0	60.0
Total Hours per Home per Week	240.0	296.0	336.0
Hours per Resident per Week (based on 4.5 residents)	53.3	65.8	74.7

■ Group Home (ID Waiver) – Other Topics

- + Overtime
 - + A general assumption for direct care staff overtime has been incorporated into the rate model structure
 - + 5 percent of work hours for direct care staff are assumed to be paid at an overtime wage (time-and-a-half)

- + Professional Services
 - + Individualized professional services are ‘unbundled’ from the Group Home rates and will be separately billable as they are for individuals living in their family home
 - + Generalized professional services (e.g., clinical oversight) are part of the program support and administrative allowances

■ Group Home (ID Waiver) – 344-Day Billing Year

- + Daily rates for Group Homes are based on a 344-day billing year
 - + Allows a provider to earn a full year of revenue after billing 344 days thereby holding providers harmless for up to 21 absences per year recognizing that most costs are fixed in the short-term
 - + Since providers are paid for a full year of services after 344 days, they are limited to 344 billing days during a member's plan year

- + Rate calculations
 - + Based on assumptions related to wages, staffing, etc., model calculates per member, per week cost
 - + Model then divides weekly cost by 7 to create daily cost, multiplies by 365 to set annual cost, and divides by 344 days to account for occasional absences
 - + Rates based on a 344-day billing year are about 6.1 percent higher than rates based on a 365-day year

Group Home (ID Waiver) – Proposed Rates

Service and Variation		Billing Unit	Current Rate ¹	Proposed Rate ²	% Change
Low	3 or Fewer Bed Homes	Day	per IRBI	\$274.67	-
	4 or 5 Bed Homes	Day		\$261.87	-
	6 or More Bed Homes	Day		\$244.74	-
Mid	3 or Fewer Bed Homes	Day	per IRBI	\$372.28	-
	4 or 5 Bed Homes	Day		\$312.70	-
	6 or More Bed Homes	Day		\$271.99	-
High	3 or Fewer Bed Homes	Day	per IRBI	\$448.32	-
	4 or 5 Bed Homes	Day		\$348.89	-
	6 or More Bed Homes	Day		\$307.36	-

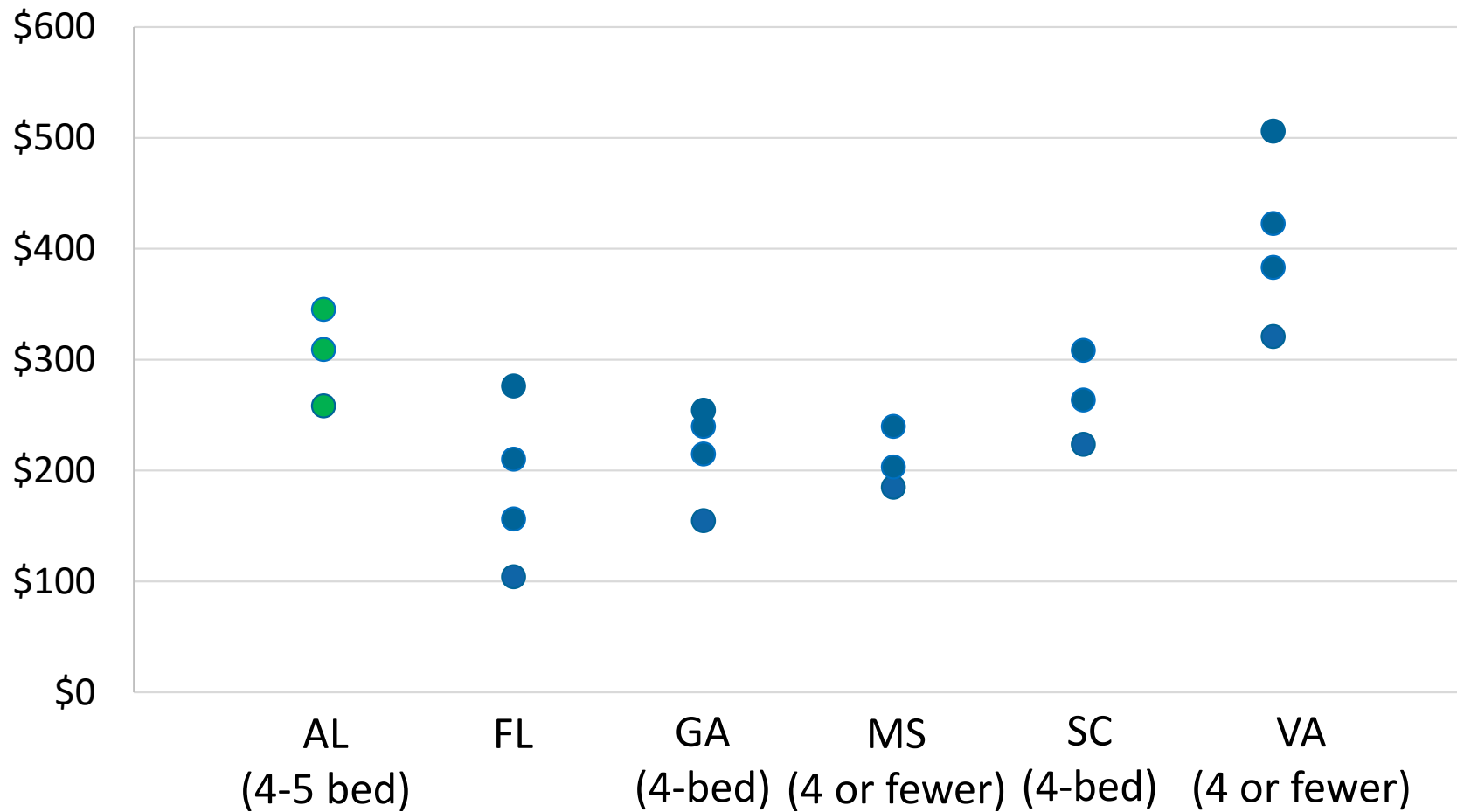
¹Proposed rates are based on a 344-day billing year

²Does not include the impact of additional billing for unbundled professional services

- + Based on current ICAP scores and estimates of distribution of home sizes, the overall average rate is projected to be about \$349 per day
 - + Current average rate (without temporary rate adjustments) is about \$261

Group Home (ID Waiver) – Rate Comparison to Other States

Comparison of 4-Bed Group Homes Rates (Daily)



■ Supported Living (ID, LAH, and CWP Waivers)

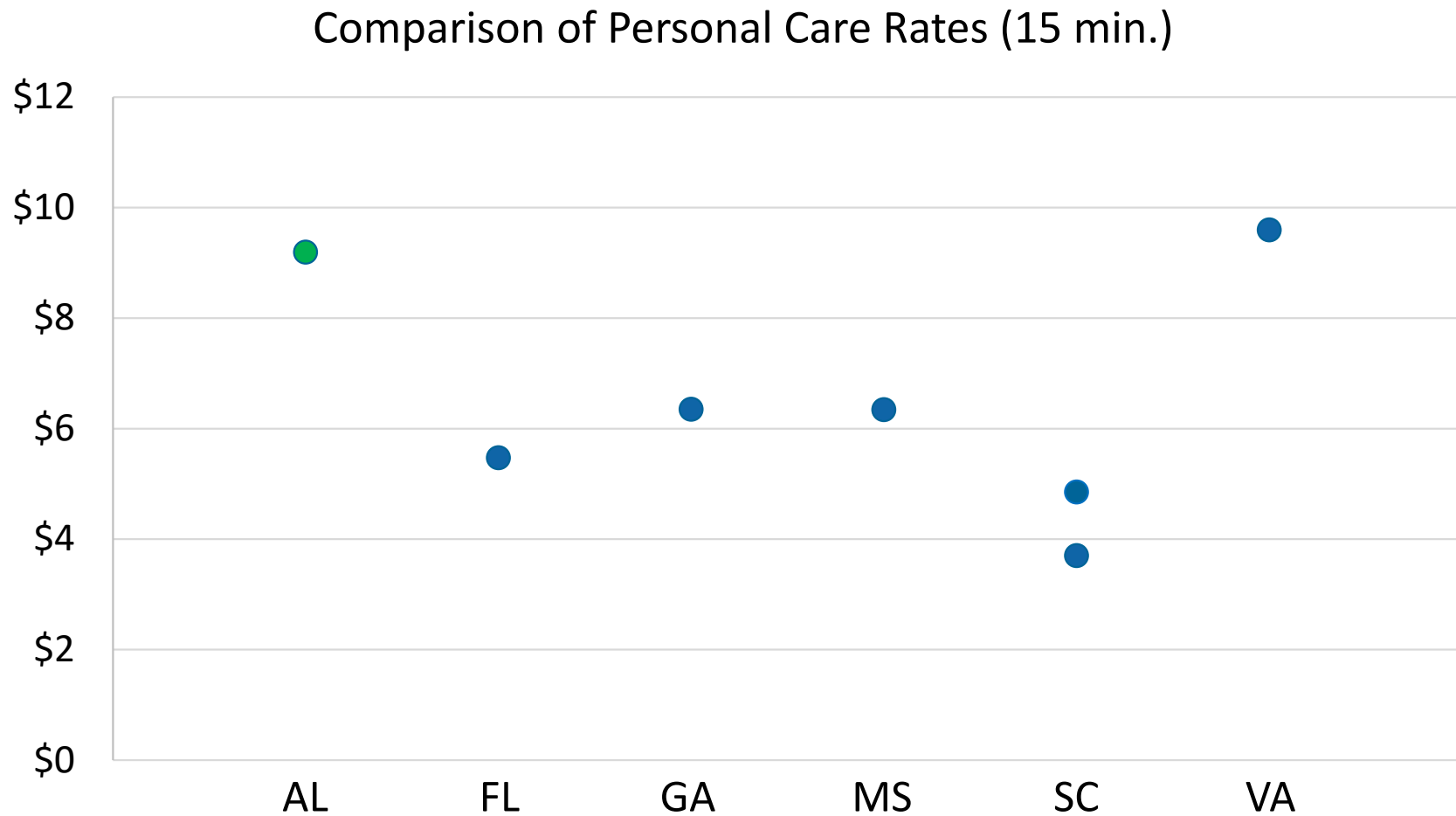
- + Rate study proposes to maintain the current approach to rate authorizations, which considers the support and frequency as well as skill and ability
 - + Dollar values will be updated

Personal Assistance, Respite, Adult Companion (ID and LAH Waivers)

- + Rate study proposes the establishment of 1:2 and 1:3 rates for Personal Care and Respite
 - + Facilitates sharing of supports when appropriate (e.g., sibling groups)
- + No changes proposed for service requirements or billing rules

Service	Billing Unit	Current Rate	Proposed Rate	% Change
Personal Care, 1:1	15 Min.	\$5.50	\$9.19	67%
Personal Care, 1:2	15 Min.	-	\$5.40	-
Personal Care, 1:3	15 Min.	-	\$3.65	-
Respite, 1:1	15 Min.	\$5.50	\$8.61	57%
Respite, 1:2	15 Min.	-	\$4.96	-
Respite, 1:3	15 Min.	-	\$3.33	-
Adult Companion Services	15 Min.	\$3.12	\$8.09	159%

Personal Care (ID and LAH Waivers) – Rate Comparison to Other States



Remote Supports (ID, LAH and CWP Waivers)

- + No changes proposed for assessments, installations, or technology support
- + Monitoring is generally assumed to be a shared support (that is, one remote staff person provides oversight of multiple individuals; the rate model assumes three participants per staff)
 - + If multiple individuals in the same residence receive Remote Support, the rate will be prorated across the individuals

Service	Billing Unit	Current Rate	Proposed Rate	% Change
Monitoring (ID and LAH Waivers)	15 Min.	\$3.50	\$3.80	9%
Monitoring (CWP Waiver)	15 Min.	\$1.62 - \$6.50/ Hr.	\$3.80	-

■ Day Habilitation (ID and LAH Waivers) – Bases of Rates

- + Proposed rates continue to vary by location of service (facility and community)
 - + Community rates are higher due to smaller groups and mileage expenses
- + Proposed rates continue to include three ‘levels’ based on individuals’ ICAP scores and a separate rate for 1:1 supports
- + Proposed rate models include lower assumed staffing ratios for facility-based services to better reflect current programs and reduce the range across levels since most programs include individuals with a range of needs

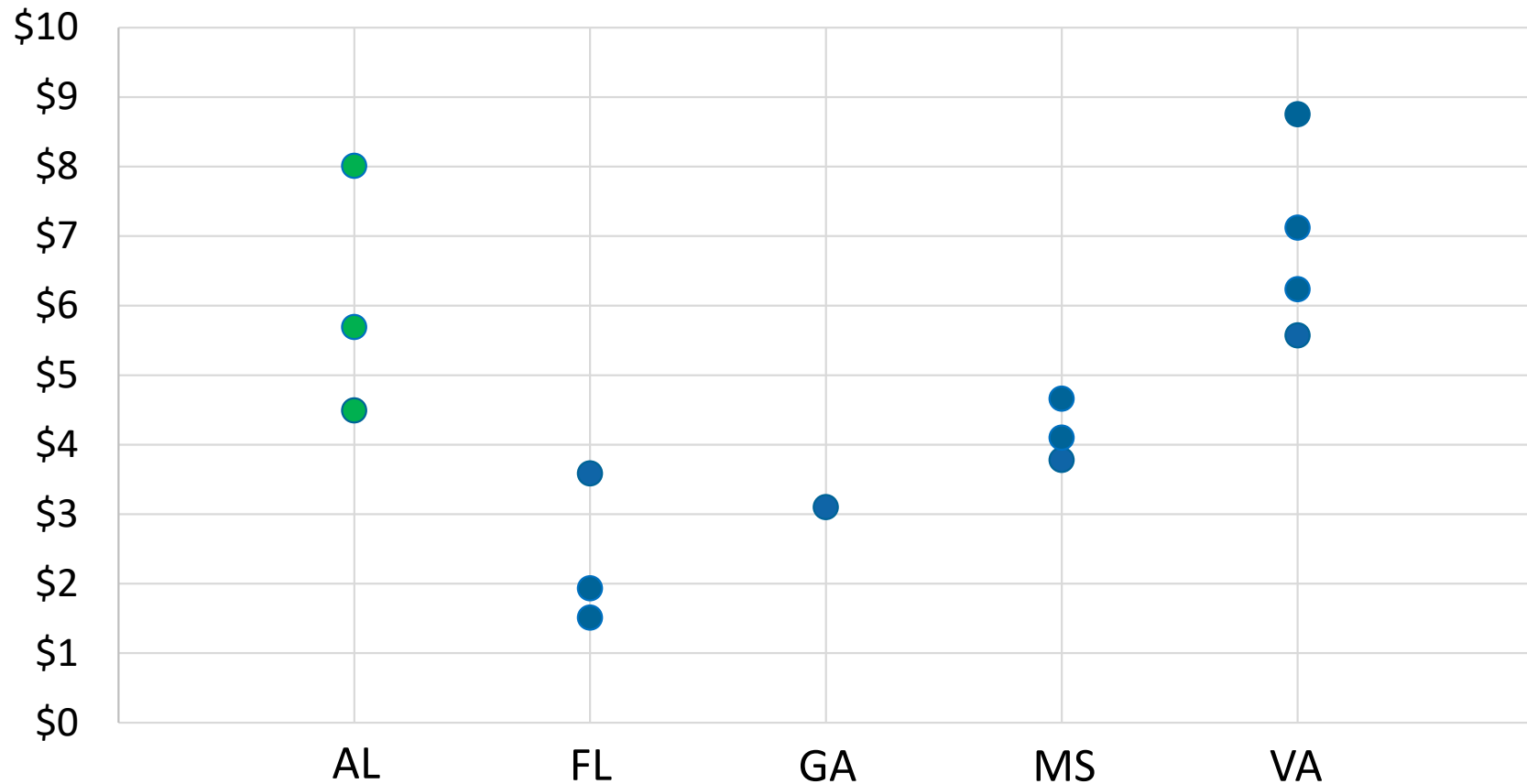
Service	Level 1	Level 2	Level 3	1:1
Facility-Based				
Current	1:15	1:12	1:8	1:1
Proposed	1:8	1:6	1:4	1:1
Community-Based				
Current	1:4	1:3	1:2	1:1
Proposed	1:4	1:3	1:2	1:1

Day Habilitation (ID and LAH Waivers) – Proposed Rates

Service and Variation		Billing Unit	Current Rate	Proposed Rate	% Change
Community, Level 1		15 Min.	\$4.16	\$4.15	(0%)
	with Transportation	15 Min.	\$4.80	\$4.49	(6%)
Community, Level 2		15 Min.	\$4.76	\$5.34	12%
	with Transportation	15 Min.	\$5.40	\$5.69	5%
Community, Level 3		15 Min.	\$5.94	\$7.66	29%
	with Transportation	15 Min.	\$6.58	\$8.01	22%
Community, Level 4		15 Min.	\$9.06	\$10.71	18%
	with Transportation	15 Min.	\$9.70	\$11.40	18%
Facility, Level 1		15 Min.	\$1.94	\$2.03	5%
	with Transportation	15 Min.	\$2.26	\$2.38	5%
Facility, Level 2		15 Min.	\$2.74	\$2.62	(4%)
	with Transportation	15 Min.	\$3.05	\$2.96	(3%)
Facility, Level 3		15 Min.	\$3.53	\$3.80	8%
	with Transportation	15 Min.	\$3.84	\$4.15	8%
Facility, Level 4		15 Min.	\$4.53	\$9.33	106%
	with Transportation	15 Min.	\$4.85	\$10.02	107%

Day Habilitation (ID Waiver) – Rate Comparison to Other States

Comp. of Comm.-Based Group Day Hab. Rates (15 min.)



Community Experience (ID and LAH Waivers)

- + Rate study proposes to maintain the rates for one-to-one support
- + Rates for small group (1:2 or 1:3) have been separately determined
- + Enhanced amounts have been included for
 - + Training, additional 10 hours per year above the standard 40 hours
 - + Program Support, additional 20% above the standard amount
 - + Standard amount for individual services: \$30
 - + Standard amount for group services: \$60

Service	Billing Unit	Current Rate	Proposed Rate	% Change
Community, 1:1	15 Min.	\$9.70	\$12.65	30%
Community, 1:2	15 Min.	\$6.10	\$9.44	55%
Community, 1:3	15 Min.	\$6.10	\$6.34	4%

■ Prevocational Services (ID and LAH Waivers)

- + Current standards allow ratios as high as 1:15 in facility-based programs and 1:3 in community-based programs, but rates are the same regardless of ratio
 - + Rate study proposes separate rates based on staffing ratios to promote the viability of smaller groups

Service	Billing Unit	Current Rate	Proposed Rate	% Change
Facility, 1:1 – 1:4	Hour	\$12.20	\$21.36	75%
Facility, 1:5 – 1:8	Hour	\$12.20	\$11.85	(3%)
Facility, 1:9 – 1:12	Hour	\$12.20	\$8.13	(33%)
Facility, 1:13 – 1:15	Hour	\$12.20	\$7.91	(35%)
Community, Group	Hour	\$24.40	\$20.51	(16%)
Community, 1:1	Hour	\$24.40	\$39.23	61%

Individual Employment Services (ID and LAH Waivers)

- + No proposed changes to billing policies or limits

Service	Billing Unit	Current Rate	Proposed Rate	% Change
Assessment/ Discovery	15 Min.	\$10.00	\$15.90	59%
Job Development	15 Min.	\$10.00	\$18.77	87%
Job Coaching	15 Min.	\$7.50	\$12.82	71%
Personal Care on Worksite	15 Min.	\$6.00	\$9.77	63%

■ Group Employment (ID, LAH, and CWP Waivers)

- + Propose to establish separate rates for 1:2 and 1:3 services
 - + Current fee schedule has a combined rate for these group sizes
- + Maintain separate rate for 1:4 services

Waiver	Service	Billing Unit	Current Rate	Proposed Rate	% Change
ID/LAH	Group Employment, 1:2	15 Min.	\$7.90	\$7.87	(0%)
	Group Employment, 1:3	15 Min.	\$7.90	\$5.28	(33%)
	Group Employment, 1:4	15 Min.	\$4.52	\$3.98	(12%)
CWP	Group Employment, 1:2	15 Min.	\$5.06	\$7.87	56%
	Group Employment, 1:3	15 Min.	\$5.06	\$5.28	4%
	Group Employment, 1:4	15 Min.	\$3.60	\$3.98	11%

■ Benefits and Career Counseling (ID and LAH Waivers)

+ No proposed changes to billing policies or limits

Service	Billing Unit	Current Rate	Proposed Rate	% Change
Benefits/ Career Counseling	15 Min.	\$5.00	\$12.47	149%

■ Assist. in Community Integration / Housing Stabilization (ID and LAH Waivers)

- + Due to overlapping service standards and identical staff requirements, rate study proposes to consolidate these services

Service	Billing Unit	Current Rate	Proposed Rate	% Change
Asst. in Comm. Integration	15 Min.	\$10.00	\$13.94	39%
Housing Stabilization	15 Min.	\$5.00	\$13.94	179%

■ Professional Services (ID and LAH Waivers) – Bases of Rates

- + Rate study proposes establishment of waiver-specific rate
 - + Recognizes that delivery models are often different than in traditional Medicaid (e.g., services more likely to be delivered in the community than in a clinic; need for staff with specialized skills)
- + Rate study proposes separate rates for services provided in the home and community and for services provided in a clinic/office setting
 - + Higher home and community rates account for travel-related expenses

Professional Services (ID and LAH Waivers) – Proposed Rates

Service and Variation	Billing Unit	Current Rate	Proposed Rate	% Change
Therapist, Home/ Comm.	15 Min.	\$14.30	\$30.52	113%
Therapist, Clinic	15 Min.	\$14.30	\$25.79	80%
RN, Home/ Comm.	Hour	\$36.40	\$83.95	131%
RN, Clinic	Hour	\$36.40	\$70.16	93%
LPN, Home/ Comm.	Hour	\$20.80	\$63.53	205%
LPN, Clinic	Hour	\$20.80	\$52.49	152%
Behav. Supp., Lvl. 1, Comm.	15 Min.	\$19.50	\$34.18	75%
Behav. Supp., Lvl. 1, Clinic	15 Min.	\$19.50	\$28.96	49%
Behav. Supp., Lvl. 2, Comm.	15 Min.	\$14.30	\$21.54	51%
Behav. Supp., Lvl. 2, Clinic	15 Min.	\$14.30	\$18.02	26%
Behav. Supp., Lvl. 3, Comm.	15 Min.	\$9.10	\$16.56	82%
Behav. Supp., Lvl. 3, Clinic	15 Min.	\$9.10	\$13.11	44%

Self-Directed Services (ID and LAH Waivers)

- + Rates for self-directed services include the same wage and benefit assumptions as in the corresponding agency services
 - + Provides parity for staff regardless of their employer
 - + Although it is not expected that employers will offer benefits (such as health insurance) directly, inclusion of these costs in the hourly rate would allow the worker to use the extra wages to purchase their own benefits

Service	Billing Unit	Current Rate	Proposed Rate	% Change
Self-Directed Personal Care	15 Min.	\$4.90	\$5.91	21%
Self-Directed Companion	15 Min.	\$2.75	\$5.38	96%
Self-Directed Respite	15 Min.	\$3.12	\$5.87	88%
Self-Directed LPN	Hour	\$20.80	\$32.45	56%
Self-Directed RN	Hour	\$36.40	\$46.64	28%



NEXT STEPS

BURNS & ASSOCIATES, A DIVISION OF HMA

Public Comments

- + Draft recommendations are published for public comment at <https://www.burnshealthpolicy.com/alabamaratestudy/>
 - + Webinar will be recorded to walk-through recommendations

- + Written comments should be submitted to bsmith@healthmanagement.com will be accepted until November 18, 2022

- + All comments will be reviewed and summarized
 - + Consolidated document of comments and responses will be published

- + Revise rate models based on public comments as warranted

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