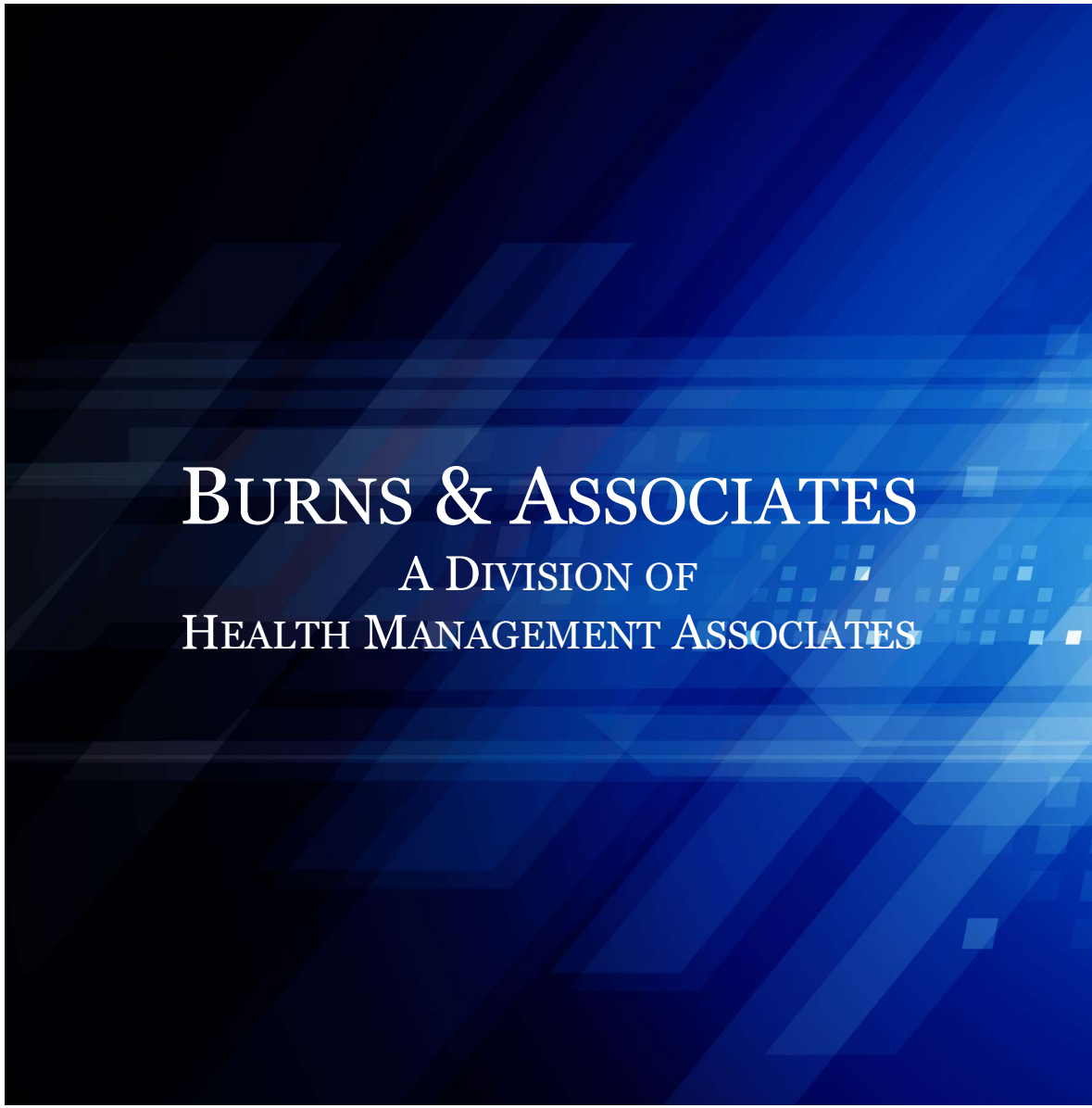
Final Rate Study Recommendations for Sections 18, 20, 21, and 29 and Proposed Lifespan Waiver

– on behalf of –

Maine Department of Health and Human Services

September 11, 2025



HOUSEKEEPING

- Presentation will summarize major themes from public comments on initial recommendations and resultant changes in the final recommended rate models
  - A recording of the presentation detailing initial recommendations and the final recommended rate models, will be posted along with responses to all public comments at https://www.healthmanagement.com/burns-reports/oads-rate-study/
- Questions will be addressed at the end of the presentation
  - Please use the Q & A function to submit questions during the presentation
- Next steps
  - Publish final recommended rate study materials
  - Implementation of any adopted recommendations will be contingent on federal approval, state rule-making, and the state's budget process, systems and process implementation plan.

RATE DETERMINATION PROCESS

22 M.R.S. § 3173-J: Stand-alone section of Maine law, enacted in August 2022 codifying process and principles for MaineCare Rate System

1. Sets schedule for regular rate review and adjustment
   - Annual updates to rates benchmarked off Medicare or other payers
   - For non-benchmarked rates:
     - Department annually develops schedule of rate determination for coming year
     - Rates not being re-determined per schedule receive annual cost of living adjustments
2. Ensures review of relevant state and national data to inform rate amounts and payment models
3. Formalizes clear and transparent process for rate determination
4. Establishes rate system subcommittee of MaineCare Advisory Committee
5. Technical Advisory Panel
   - Advises on related technical matters as appropriate
   - Reviews annual schedule for rate determination

IMPETUS FOR RATE STUDY

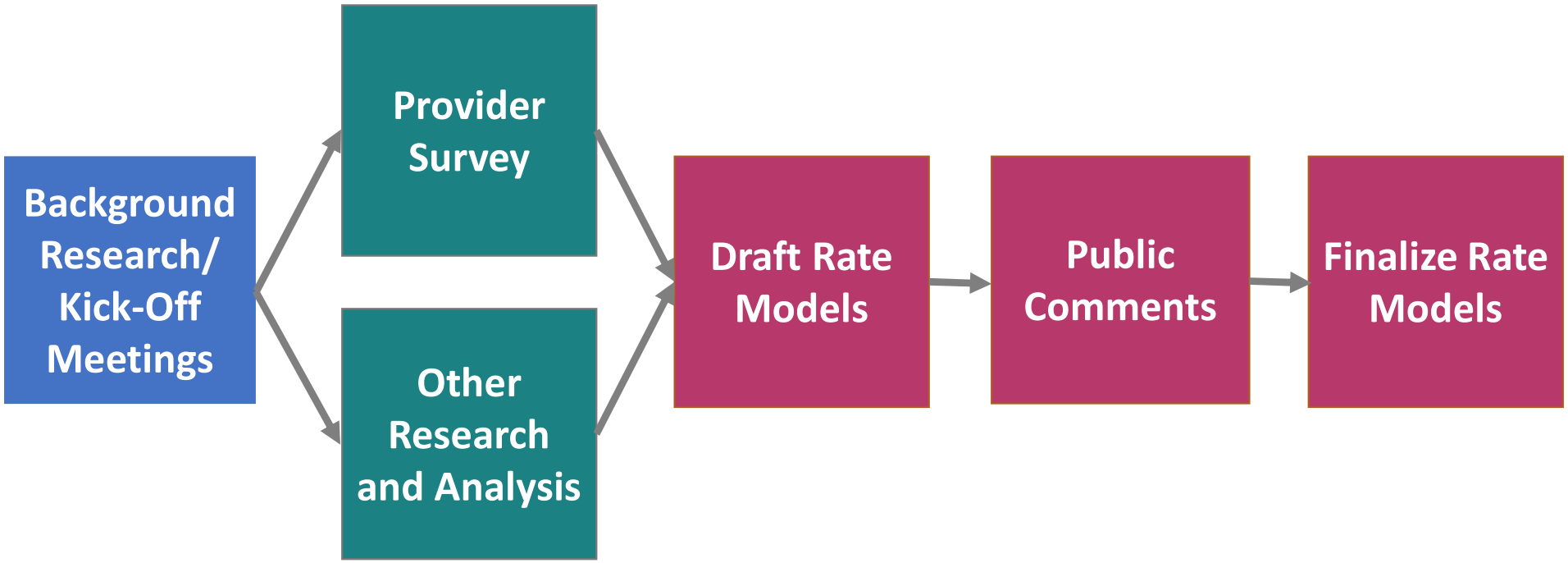
- DHHS is developing a new Medicaid-funded home and community-based services waiver – the Lifespan program – to support the needs of individuals with intellectual and developmental disabilities throughout all stages of their lives
  - Offer individuals flexibility to address goals and needs that change across the lifespan
  - Improve supports for individuals transitioning from childhood to adulthood
  - Support innovative services
  - Facilitate greater employment and community participation
  - Promote long-term sustainability, including responding to workforce challenges

- As part of program development, provider payment rates must be established
  - Given overlap with Sections 18, 20, 21, and 29, current payment rates for these programs were included in this rate study
  - Rate methodologies are consistent across programs and the same service would have the same rate across programs

RATE STUDY OVERVIEW

BURNS & ASSOCIATES, A DIVISION OF HMA

RATE STUDY PROCESS



SUMMARY OF PUBLIC COMMENT PROCESS

- Draft rate models presented to providers and stakeholders on April 14, 2025
  - Complete presentation of recommendations can be accessed at the project website: https://www.healthmanagement.com/burns-reports/oads-rate-study/
  - Deadline for submitting written comments extended to May 6, 2025 (late submittals were accepted)

- 40 individuals and organizations submitted comments
  - HMA-Burns and OADS reviewed all comments
  - In response to comments, several changes were made to the initial recommendations

RATE STUDY OVERVIEW

- Existing rate models from previous rates studies for Sections 18, 20, 21, and 29 were used as the starting point when available
- Given recency of previous rate study and cost of living adjustments through 2024, most rates would increase modestly
  - Impact varies by service and by provider
- To address workforce challenges, align staffing requirements with individual needs and abilities, and support program innovation, staffing requirements would be less prescriptive and/or reduced for key services (consistent with individuals' service plans)
  - "True" per diem rates are proposed for group homes and staffing thresholds (i.e., 92.5 percent) are eliminated
  - Reduced staffing ratios for community support programs
  - Remote services are supported when appropriate

RATE STUDY OVERVIEW (CONT.)

- Wage assumptions for all services exceed the minimum statutory requirement of 125 percent of the state's minimum wage to recognize labor market conditions
  - Rate models also include a comprehensive benefits package

- In Sections 21 and 29 and the Lifespan program, Agency Home Support, Shared Living, Community Support, and Supported Living rates would be tiered
  - Providers would be paid a higher rate when supporting individuals with greater needs
  - Individual needs to be assessed using a nationally standardized and normed assessment (Supports Intensity Scale)
  - The highest tier is for individuals with significant behavioral or medical needs

SUMMARY OF PUBLIC COMMENTS AND CHANGES TO RECOMMENDATIONS

BURNS & ASSOCIATES, A DIVISION OF HMA

DIRECT SUPPORT PROFESSIONAL WAGES

- Commenters recommended increasing direct support professional wage assumptions
  - No change made

- Rate models include the same mix of BLS occupations as in existing rate models, using most recent BLS data and an inflationary adjustment
  - Results in an assumed average wage of $19.76 per hour
  - About $1 per hour greater than the average wage reported in the provider survey
  - Exceeds requirement that wage assumptions be at least 125 percent of Maine's minimum wage (which is currently $14.65 so the rate model must be at least $18.31)

DIRECT SUPPORT PROFESSIONAL OVERTIME

- Commenters suggested the assumed 5 percent overtime rate was too low, stating that agencies have overtime rates of between 15 and 26 percent
  - For rate models with an overtime assumption, the overtime rate was increased to 7 percent

- Increases in assumed staff wages and benefits as well as added flexibility in staffing requirements intended to increase workforce stability and reduce need for overtime
  - Due to the need for 24-hour coverages, group home rate models included an overtime factor
  - Provider survey respondents reported average overtime rates in group homes ranging from 1 to 35 percent

DIRECT CARE STAFF HEALTH INSURANCE

- Commentors suggested the staff health insurance cost assumption of $704.55 per employee per month is too low, stating that the assumed cost should be increased to between $800 and $1,300
  - No change

- Assumptions related to take-up rates, mix of plan types (that is, employee only, employee plus-one, and family plans) and employer contributions reflect Maine-specific data from U.S. DHHS' Medical Expenditure Panel Survey with assumed cost increases
  - Assumed per-employee cost applies to all direct care staff, including non-participants (the rate model assumes a take-up rate of 72 percent so the assumed average cost for a participating employee is $977.18)
  - Provider survey respondents reported an average cost of $734 per employee per month for participating employees and an average effective benefit level of $408 for all full-time staff average accounting for the reported 58 percent take-up rate

DIRECT CARE STAFF PRODUCTIVITY

- Commenters suggested that staff productivity assumptions should be lower by increasing assumed time for travel, training, documentation, and administrative tasks as well as missed appointments
  - Added a missed appointments factor to the rate models for Home Support Quarter-Hour, Community Membership-Individual, Work Support-Individual, Home-Based Personal Assistance, Community Connections Assistance, Community and Relationship Connecting, and Job Coaching
  - Added 12 training hours annual for Section 18 Residential Habilitation services to account for brain injury certification

- Productivity assumptions otherwise unchanged
  - Assumptions considered existing rates models and provider survey results

ADMINISTRATION AND PROGRAM SUPPORT

- Commentors suggested that assumptions related to overhead funding (administration and program support)
  - No change

- Assumptions are consistent with provider survey results and other MaineCare rate studies

TIERED RATES – SUPPORTS INTENSITY SCALE

- Commenters objected to tiered rates, suggesting that tiered rates would diminish choice and limit access to services, and expressing concern about the use of the Supports Intensity Scale (SIS-A)
  - No change

- Tiered rates – primarily for shared services such as group homes and community support programs – recognize the higher costs of providing more intensive supports to those with greater needs, promoting access for higher-needs individuals
  - Stakeholders previously requested tiered rates and emphasized that these rates should be offered across the I/DD waivers to ensure equity
  - Community stakeholders evaluated four leading support needs assessment tools, finding that the SIS-A was best for Maine
    - Research and testing has shown the SIS produces reliable and valid results

2:1 STAFFING

- Commentors stated there should be rates to accommodate individuals who requires two-to-one staffing
  - Created rate models for two-to-one supports for multiple services
    - Home Support – Quarter Hour
    - Agency Home Support 1 Person
    - Community Membership – Individual
    - Home-Based Personal Assistance
    - Community Connections Assistance
    - Community and Relationship Connecting

COMMUNITY RESOURCE COORDINATION

- Commentors objected to the separate rates for individuals supported in their first year in the program and for individuals supported after their first year
  - Withdrew proposal to establish separate rates based on year in program

- Intent of the proposal was to allow for greater time (through a lower caseload assumption) to identify an individual's needs in their initial entry into the program
  - Revised rate model includes a caseload assumption between the originally proposed initial year and ongoing rate models

AGENCY HOME SUPPORT STAFFING LEVELS

- Commentors suggested the assumed staffing levels in the Agency Home Support rate models are too low
  - No change

- Assumed staffing levels are reasonable to support most individuals in each tier
  - If a home requires more support than funded in the per diem rates, a provider may request an exception
  - Exceptions process would be similar to existing process for setting all Agency Home Support rates
    - Providers with exceptions would be required to provide 100 percent of funded hours

350-DAY BILLING YEAR FOR RESIDENTIAL SERVICES

- Commentors objected to the proposed 350-day billing limit for residential (shared living and group home services), stating these programs operate 365 days per year
  - No change

- The use of a 350-day billing year protects providers from financial losses due to occasional absences
  - Rate models calculate the cost of providing 365 days of care, but then divides this cost by 350 days (producing a higher daily rates)
  - Since providers are fully paid for a year of service after 350 billing days (due to the inflated rate), they cannot bill for more than 350 days

350-DAY BILLING YEAR FOR RESIDENTIAL SERVICES (CONT.)

- Mathematically impossible for a provider to be worse off under a 350-day billing year than a 365-day billing year
- Example: Agency Home Support Tier 3 individual in 3 bed home has an assumed annual cost of $209,514 (which translates to $574.01 per day or $598.61 based on a 350-day billing year)

Days Present	Revenue at 350-Day Rate	Revenue at 365-Day Rate	Added Revenue Based on 350-Day Rates
365	$209,514	$209,514	$0
355	$209,514	$203,774	$5,740
350	$209,514	$200,904	$8,610
345	$206,520	$198,033	$8,487

HOME SUPPORT-REMOTE MONITORING BILLING FRAMEWORK

- Commentors objected to the proposal to convert Remote Monitoring from 15-minute billing to a monthly rate
  - Withdrew proposal and updated 15-minute rate model

- Final recommended rate is $3.09 per 15 minutes
  - Rate model assumes one staff for every four individuals monitored and increases program support costs to address (licensing, support, and technology-related costs)
    - Assistive Technology may still be used to provide for assessments, equipment, and the cost of monthly data transmission utility necessary to facility Remote Monitoring
  - Additionally, the separate rate for interactive support would be eliminated (as the need for occasional interactive support should be part of the assumed staffing level)

RATES AND RATIOS FOR COMMUNITY MEMBERSHIP-GROUP / COMMUNITY SUPPORT (SEC. 21 & 29) AND FACILITY-BASED DAY PROGRAM (LIFESPAN)

- Commentors objected to reduced rates for Community Support services, stating (among other concerns) that the proposed 1:6 staffing ratio is too high to safely provide services
  - No change made

- Tiered rates include different assumed staffing ratios and only the Tier 1 rate for center-based services assumes a 1:6 ratio
  - To provide flexibility for providers, they are only required to staff center-based services at a 1:6 ratio and community-based services at a 1:4 ratio even though they will be funded for more intensive staffing (unless the provider only serves individuals assigned to Tier 1)
  - Providers were permitted to provide services at a 1:6 ratio as part of flexibilities put in place during the public health emergency
  - Actual program staffing should reflect the needs of the individuals served

IMPLEMENTATION TIMING

- Commenters questioned when the revised rates would be implemented
- As with any rate adjustments, timing of implementation will depend on several processes and approvals
  - Federal approval of rate methodologies
  - State rulemaking
  - Receipt of any required appropriations, whether tied to rate increases or to any other costs associated with implementing the model.
  - Timing of associated system, process, and other necessary operational changes needed to implement

QUESTIONS?

CONTACT INFORMATION

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