

# Montana Senior & Long-Term Care Rate Workgroup

January 2022

# Agenda

- Welcome and Introductions
- Operating Guidelines and Goals
- Scope of Project
- Cost and Wage Survey
- Cost Report Development
- Workgroup Timelines and Next Steps
- Questions and Answers



# Welcome and Introductions

# Introductions

## Rate Methodology Workgroup

## Collaboration & Rate Setting Team

### Provider Representatives

- NCILS – Tom Osborn
- Home Care – Dawna Brinkel
- ESGW - John Stevenson
- Cabinet Mountain - Gretchen Perkins
- Agape/Epaga - Inga Lake
- Client Dedicated Services - Kelly Reynolds
- Circle of Life – Beth Timmins
- Angel Aids Sidney HC – Laurie Lovegren
- Caslen ALFs – Mike White
- Winds of Change – Rosie Jennings
- Liberty Place – Ann Geiger

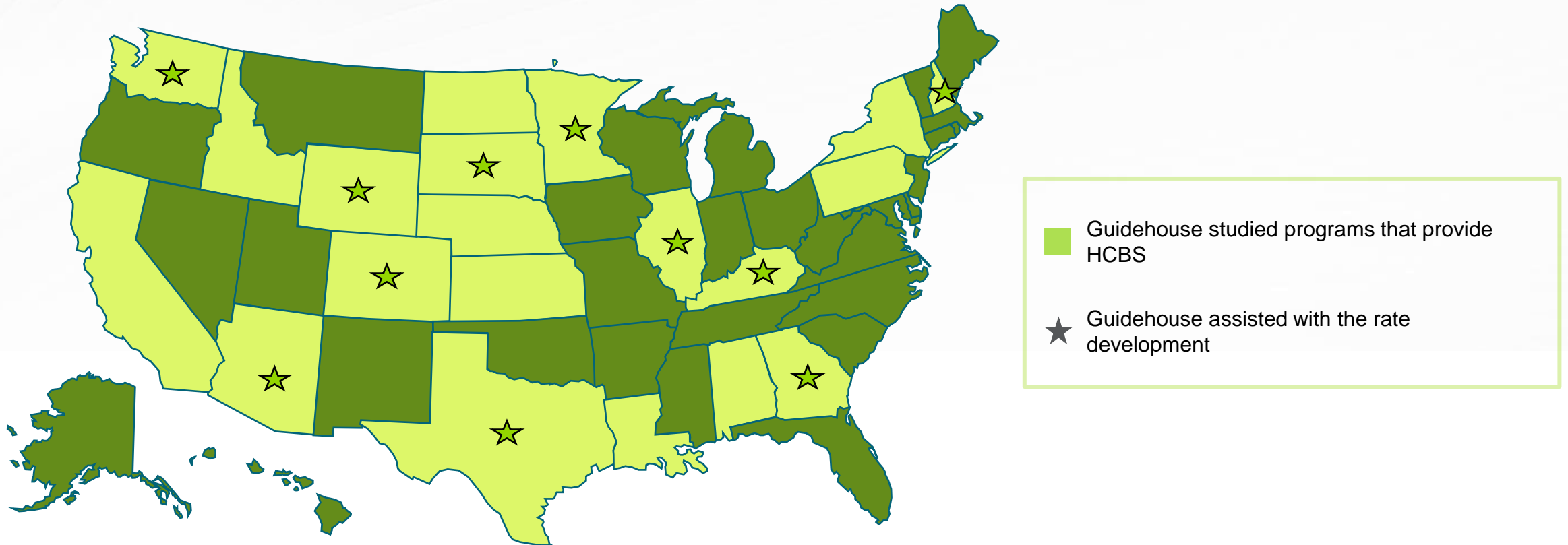
### State Representatives

- Jackie Jandt
- Marie Matthews
- Michaelene Brown
- Barb Smith
- Jill Sark
- Freddi Haab-Fiedler
- Abby Holm
- Derik Sapp

### Guidehouse

- Jeff Moor - Engagement Director - Rate Studies
- Jason Gerling - Engagement Director - Community Transitions / Coordination
- Coy Jones - Work Stream lead - Rate Studies / HRD
- Jamin Barber - Project Manager
- Amy Riedesel - Work Stream lead Community Transitions / Coordination
- Claire Payne - Section Lead
- Poorna Suresh - Section lead

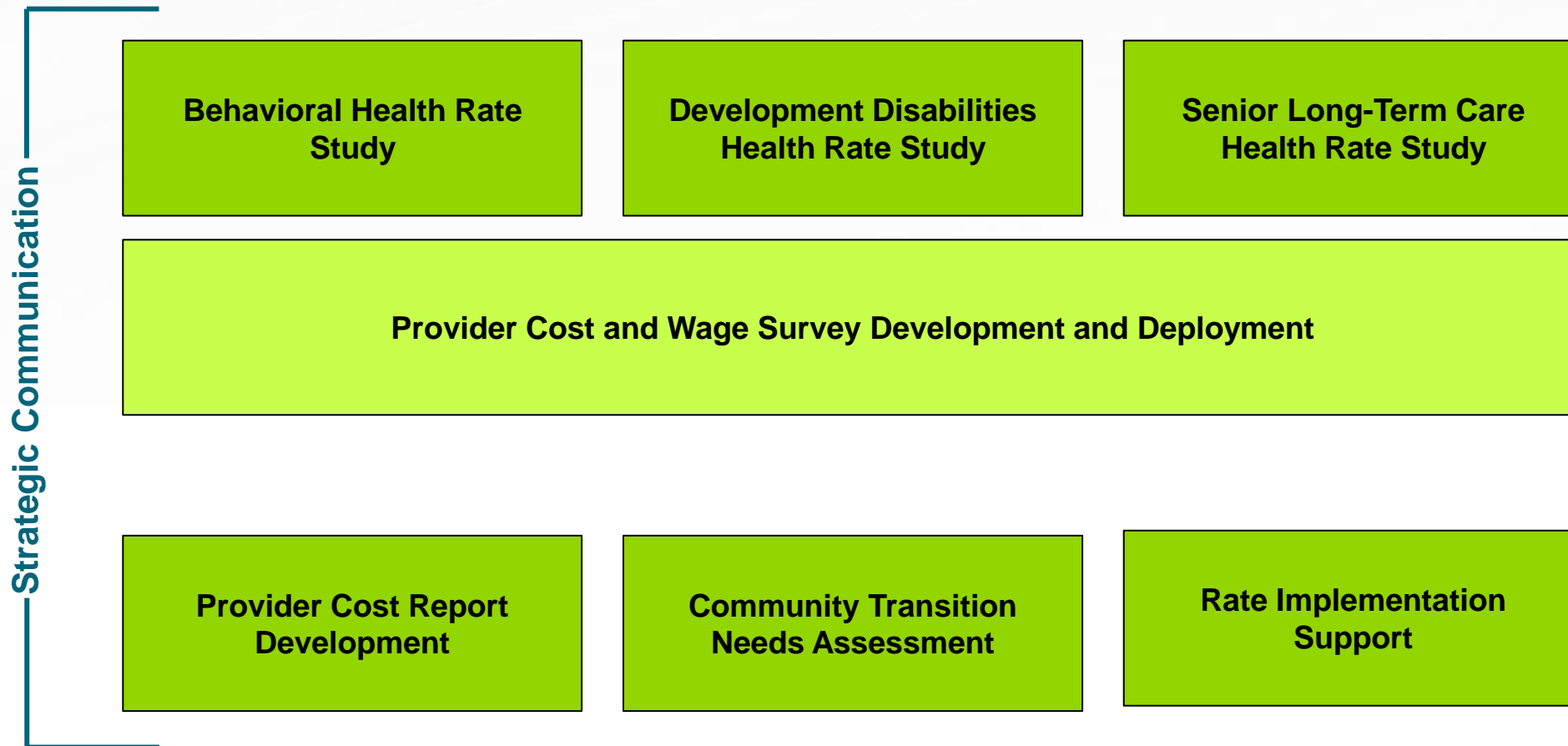
# Guidehouse: Experience with Rate Studies including Home and Community Based Services (HCBS)



# Operating Guidelines and Goals

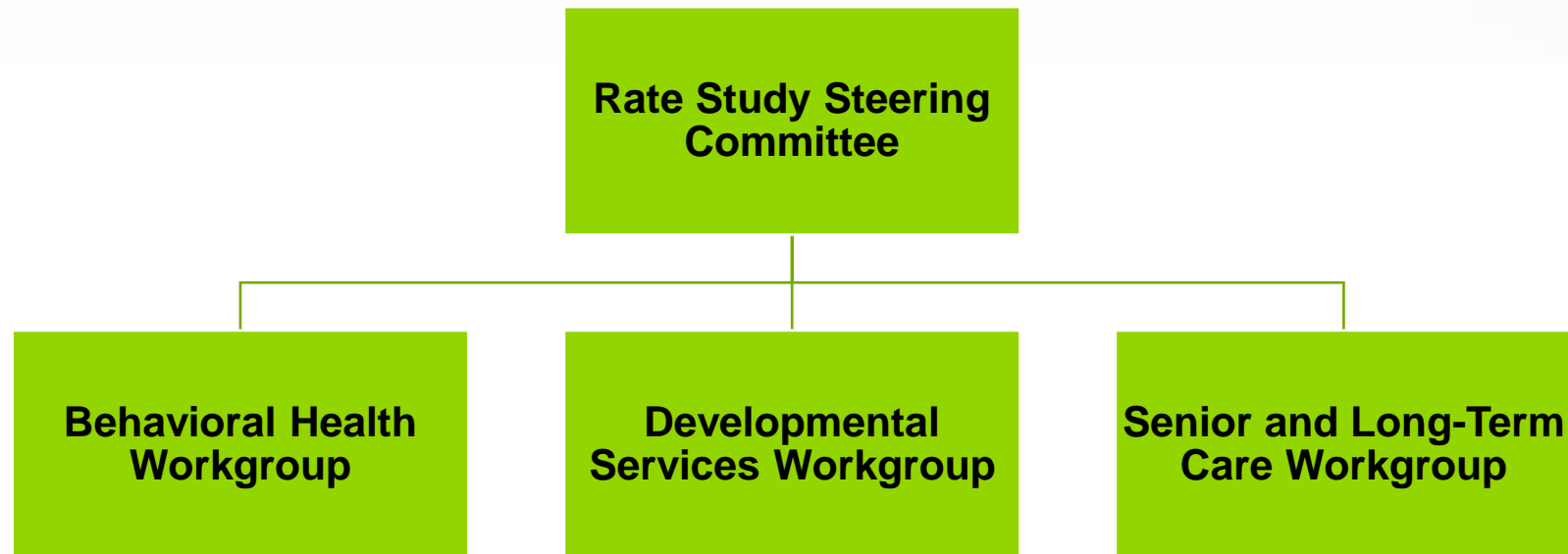
# Overview of Project Initiatives

The graphic below illustrates the relationships among Guidehouse's rate study initiatives.



# Two-tier Stakeholder Engagement Approach

- **Steering Committee:** provides advisory feedback on rate studies as a whole, involving the full array of stakeholder perspectives. The Committee will help DPHHS to advance system-wide proposals and holistically consider potential impacts to all stakeholders, especially participants.
- **Rate Methodology Workgroups:** bring together service-specific subject matter experts, drawn from provider communities with detailed understandings of service provision, operational challenges and provider costs.





# Stakeholder Roles and Expectations

- **Steering Committee will include individuals representing a diverse array of stakeholders across ALL rate study populations and services**
- **The Senior and Long-Term Care Rate Methodology Workgroup includes 10 members**

## Steering Committee Composition

- Waiver participants, CFC's and Home Health service recipients
- Caregivers and natural supports
- Consumer advocacy representatives
- Service providers
- Chairperson (or designated representative) of each workgroup
- Key legislators overseeing services

\* Steering committee has not been finalized

## Rate Workgroup Composition

- Membership representatives of individual providers and provider associations directly impacted by rate changes
- Provider representatives who reflect the full range of services included within the rate study scope (ex.: if scope of services includes TCM, at least 1 TCM provider should be included in workgroup)
- Members have a strong understanding of provider finances, reporting capabilities, and service costs

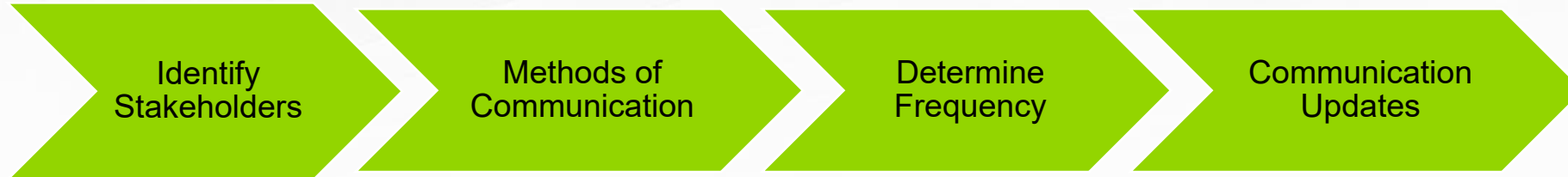
# Communication Goals and Objectives

Communication efforts between all stakeholder groups are intended to:

- Involve diverse perspectives and meaningfully include stakeholders in the study process
- Advance project goals and objectives, removing communication barriers and bottlenecks, wherever possible
- Offer transparency on methodology and findings throughout the study
- Support to Guidehouse to independently consider all perspectives throughout the rate methodology study process.
- Adhere to CMS requirements for rate development and stakeholder engagement pursuant to any future changes in Medicaid programs / policies (e.g., required public comment period, etc.)



# Communication Process



## Tools and Methods

*Workgroup Member Roster*

*Communication Matrix*

*Workgroup Meetings Agendas*

*Email Notifications*

*DPHHS Rate Study Web Page*

*Workgroup Meetings*

*Formal Presentations*

*Workgroup Meetings: Jan-Jun*

*Meeting Minutes*

*DPHHS Rate Study Web Page*

*Status Reports*

*Actions Items List and Follow-up*

# Collaborative Needs and Expectations

- Establish the criteria for identifying different provider types and/or individual rates within appropriate categories for rate modeling analysis
- Determine the common principles/parameters that will apply to the rate setting methodology
- Provider representatives will facilitate the timely and accurate submission of cost surveys and additional information as requested
- Establish a mechanism for communicating workgroup actions with individual provider organizations, provider associations, legislators and other stakeholders
- Cost, wage and other rate analysis components could demonstrate need for potential changes – both positive and negative – to service rates and level of reimbursement to providers

# Scope of Project

# Senior and Long-Term Care Rate Study

The scope of this study would encompass physically disabled and aging programs and span both Medicaid state plan and waiver services

## Scope of Services

- 1915(c) Big Sky Waiver
- CFC/PAS

## Purpose of Rate Study

- Evaluate alignment with rates for similar services established by other divisions
- Examine potential need for rate differentials among frontier/rural/suburban areas, or other shortage areas
- Analyze differences in cost between agency-provided vs self-directed options
- Explore recommendations for competitive direct care wage and benefit assumptions, including health insurance for staff
- Absorb direct care wage add-on into base rate assumptions

## Key Deliverables

- Peer State Comparisons
- Service Definition Review & Recommendations
- Regulatory/Statutory Review
- Rate Models
- Fiscal Impact Analysis
- Final Report of Rate Recommendations

# Senior and Long-Term Care Rate Study – Service Detail

## 1915(c) Big Sky Waiver

- Adult Day Health
- Case Management
- Community Transition Services
- Consultative Clinic and Therapeutic Services
- Day Habilitation
- Dietetic Services
- Family Training and Support
- Financial Management Services
- Health and Wellness
- Homemaker/Homemaker Chore
- Independence Advisor
- Non-Medical Transportation
- Nutrition
- Pain and Symptom Management
- Personal Assistance Services
- Post-Acute Rehabilitation Services
- Prevocational Services
- Personal Emergency Response System
- Private Duty Nursing
- Residential Habilitation
- Respite
- Senior Companion
- Supported Employment
- Supported Living
- Specialized Child Care for Medically Fragile Children

## CFC/PAS

- Community Supports Services
- Medical Escort
- Personal Emergency Response System
- Self Directed/Agency Based Personal Assistance Services
- Specially Trained Attendant

# Guidehouse Approach to Rate-Building Across Programs / Services

Employs assumptions of:

- Wages
- Types of employees
- Staffing ratios
- Employee benefits
- Other provider costs



Recognizes the costs of services with service-specific variations

Analysis requires multiple components

**Independent Model Approach** – An approach using state-specific data sources to develop the estimates for each cost component for each service.

Consideration of participant's specific needs (acuity level, dependent on available assessment data)



Assumptions can be derived from state, national or industry standard data



# Common Sources of Data for Rate Studies

To build independent rates for each program consistent with the concept on the previous slide, we will use a variety of sources to inform our assumptions:

- Provider cost and wage survey data from Montana providers.
- *Bureau of Labor Statistics* (BLS) wage and employee-related expenses (ERE) data specific to Montana.
- *Medical Expenditure Panel Survey – Insurance Component* (MEPS-IC) state-specific data regarding health insurance (employer offer, employee take-up, premium and deductible levels).
- Inflation factors, both historic and forward-looking.
- *MMIS* Claims data (*AWACS*).
- Other state and national benchmarks.

# Peer State Comparison Process

## Proposed Peer States

- ✓ Wyoming
- ✓ South Dakota
- ✓ North Dakota
- ✓ Idaho
- ✓ Iowa
- ✓ Colorado
- ✓ Washington
- ✓ Oregon

## State Selection Criteria

- ✓ Regional neighbors and/or similar demographics
- ✓ Similar reimbursement approaches
- ✓ Similar service structure and specifications
- ✓ States known for innovative practices
  - Reimbursement methodologies
  - Quality incentives
- ✓ Assessment tool comparisons
- ✓ Community First Choice Programs

# Cost and Wage Survey

# Provider Cost and Wage Survey

Guidehouse will develop and administer a Provider Cost and Wage Survey to collect provider costs across multiple services and programs. Cost survey data will serve as the basis for approved rate studies.

## Providers Included

- Adult Behavioral Health
- Children's Mental Health
- DDP Providers
- SLTC Providers

## Purpose of Cost and Wage Survey

- Capture provider cost data to provide cost foundation for rate studies
- Receive uniform inputs across all providers to develop standardized rate model components
- Measure inflationary impact on direct care worker wages
- Establish baseline cost assumptions for comparing and standardizing services operating in different divisions and waiver authorities
- Determine cost basis for evaluating rate equity for services
- Gather needed data to understand billable vs non-billable time per service
- Investigate differences in costs among frontier/rural/suburban areas
- Solicit general feedback from providers to explore service delivery improvements and efficiencies

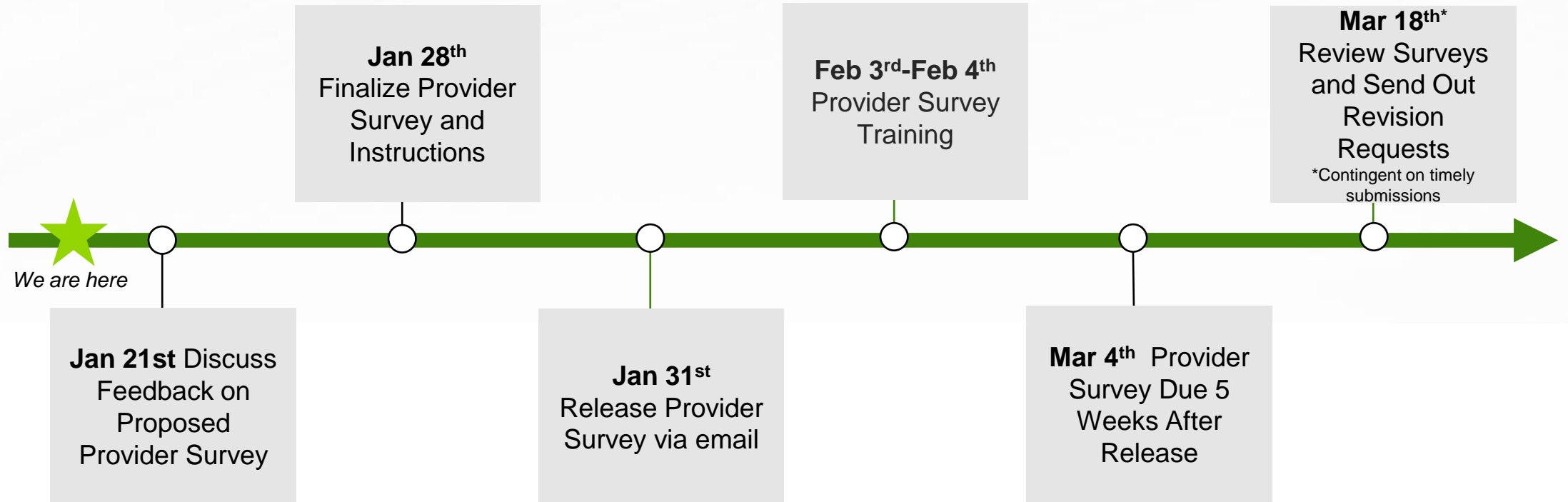
## Key Deliverables

- Comprehensive Provider Cost and Wage Survey ("Full" Survey)
- Service Specific Cost Surveys (as needed)
- Survey Instructions
- Provider Communications and Support
- Cost Analysis
- Provider Trainings

# Cost and Wage Survey Topics

Survey Topics	Topic Details
Organizational Information	Provider identification, contact information, organizational details, and organizational revenues
Overall Organizational Costs	Employee salaries, taxes and benefits, non-payroll administrative costs and program support costs, and facility, vehicle and equipment costs
Program Area	Geographic areas where services are delivered
Service Area	Programs operated and services delivered
Staff Time and Wages	Staff types, hourly wages, supplemental pay, bonuses, rate increase, and training time
Staffing Patterns and Service Design	Billable vs Non-Billable, supervisor and staffing patterns, delivery time and frequency, training requirements, and other service design and delivery specifications
Provider Benefits	Benefits that organizations offer full-time and part-time employees who deliver services – health, vision and dental insurance, retirement, unemployment benefits and workers’ compensation, holiday, sick time, and paid time off
Transportation	Organizational transportation details, transportation costs, and vehicle details

# Provider Survey Timeline



Participation in the survey is an opportunity to provide critical information that will help inform the development and rebasing of rate setting methodologies and service rates.

# Provider Survey Training and Assistance

*Guidehouse will work with DPHHS to provide technical assistance to providers during the survey response period.*

## Initial Provider Training

- Live webinar training will be held in February and calendar invite to be sent to providers in advance
  - A link to the recorded training will be sent shortly after the webinar ends
- Guidehouse will provide an instruction manual for the survey
- Guidehouse will circulate responses to FAQs from stakeholders within a week following the training

## On-Demand Provider Support

- Guidehouse will provide ongoing technical assistance
  - A dedicated inbox ([MT-DPHHS-Rates@guidehouse.com](mailto:MT-DPHHS-Rates@guidehouse.com)) will be monitored for provider questions
  - Responses to inquiries will be sent within one business day

Survey templates and material will be available on the DPHHS's public website:

<https://dphhs.mt.gov/providerratestudy/index>

# Cost Report Development



# Provider Cost Report Development

Guidehouse also proposes to develop materials and administrative processes to establish annual cost reporting by providers.

## Providers Included

- Adult Behavioral Health
- Children's Mental Health
- DDP Providers
- SLTC Providers

## Purpose of Cost Reports

- Capture data reflecting costs incurred during the provider's most recent fiscal year
- Make data available to the State in a standardized format that includes the recognized expenditures incurred by providers
- Facilitate analysis of the reasonable costs of providing home and community-based services and the percentage of a provider's costs representing wages and benefits for direct care staff
- Identify profit or loss that each provider incurred in delivering the service
- Support future rate rebasing

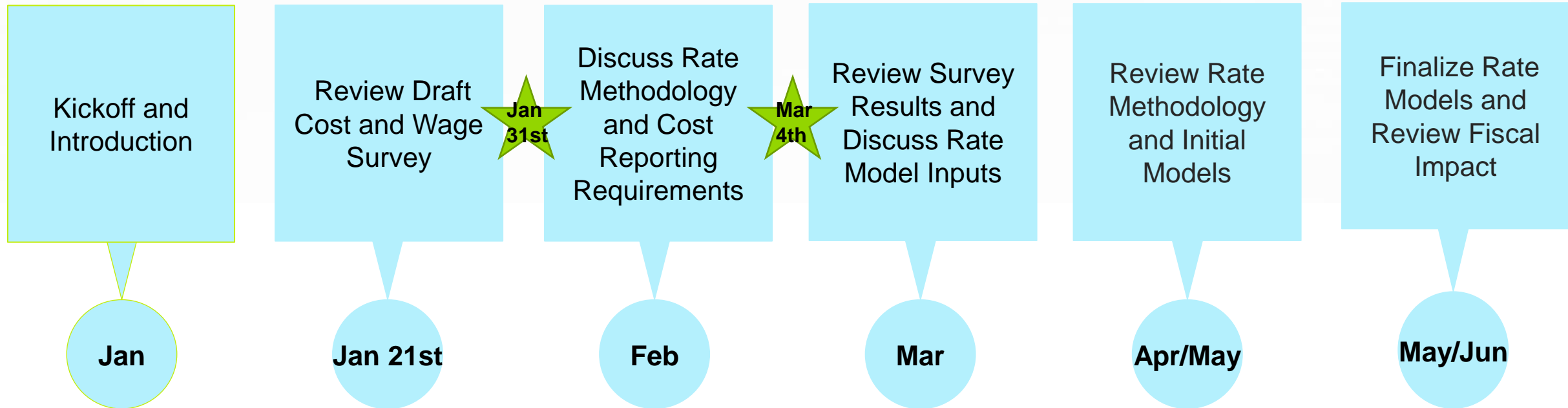
## Key Deliverables

- Cost Reporting Template
- Cost Reporting Instructions
- Recommendations for Cost Reporting Administrative Process
- Implementation Plan
- Provider Trainings

# Workgroup Timelines and Next Steps

# Proposed Rate Workgroup Meeting Plan

*The Rate Workgroup and Guidehouse will meet once a month to discuss topics related to survey development and implementation, service review, as well as rate methodology and modeling requirements and results.*



# Questions and Answers

# Contacts

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