

**South Dakota DHS and Guidehouse
DD Rate Setting
Rate Methodology Workgroup Meeting
July 21, 2021**

Attendees

- **Provider Representatives:** Dan Cross, Brad Saathoff, Jennifer Gray, John Hackett, Julie Peterson, Kristin Kline, Mel Bertram, Nathan Stallinga, Pam Hanna, Sandra Lee, Shirley Halverson, Steve Watkins
- **State Representatives:** Alana Suiter, Barb Hemmelman, Jamie Morris, Jaze Sollars, Joey Younie, Julie Hand, Liliana Borcea, Sam Hynes, Julie Johnson, Steven Kohler
- **Guidehouse:** Coy Jones, Jeff Moor, Poorna Suresh, Julie Nguyen

Agenda

- **Welcome & Meeting Agenda**

Meeting Discussion:

- a. Introduced Coy Jones, new Guidehouse project manager
- b. Introduced Steven Kohler, new CFO of DHS

- **Stakeholder Follow-up:** Provide an update on the operating objectives and rate modeling approach

Meeting Discussion:

- a. Reviewed two-pronged approach of rate methodology workgroup and steering committee as well as responsibilities of each group
- b. Shared Steering Committee meeting updates
 - i. Goal is to build upon methodologies to develop a model that will be approved by CMS and minimize billing & administrative burden for provider
 - ii. Clarified that scope of engagement is meant to accurately reflect actual provider costs and how services are delivered
 - iii. Provider representatives mentioned that SDCL 28-22-5 specifies that “The department shall report any rate variance to the Governor and to the Legislature on an annual basis in conjunction with annual budget hearings”
- c. Discussed rate build up approach
 - i. Explained that the approach is consistent with the goals of the Rate Methodology Workgroup as well as the approach undertaken during the pilot rate study in 2020.
 - ii. Provider representatives mentioned that the Bureau of Labor Statistics data can lag real time data and requested clarification on whether the lag will be taken into account for the rate analysis.
 - 1. Guidehouse is aware of this and will review 2019 data in addition to the most current data. If BLS or other data sources are used, Guidehouse will clarify assumptions in future Workgroup meetings.
 - 2. The provider survey will also include questions about wages.

- b. **Provider Survey**

Meeting Discussion:

- a. Reviewed provider survey goals; Workgroup will be able to provide feedback and request changes throughout the survey drafting process
 - i. Provider representatives requested information on how the rate methodology process will factor in differences in pay as a result of benefits offered.

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1. Survey will allow providers to identify benefits offered by their organizations. Guidehouse will also have access to federal reporting on benefit costs for the state of South Dakota. If necessary, Guidehouse can construct a reasonable benefits package for the industry that does not necessarily rely on data received from the providers. Guidehouse will decide what approach to take when the provider survey response data is received.
- b. Reviewed provider survey topics
 - i. Provider representative requested for additional information on accounting for administrative overhead in the rate setting process
 1. Administration costs are usually determined as a percentage of direct service costs and wages. Example: if administrative overhead increases by 15%, wages would increase proportionally. Guidehouse will be using cost report data and/or independent data to calculate administrative costs.
 - ii. General Provider Information Worksheet
 1. Survey Q13: Guidehouse is primarily interested in residential sites and will adjust question to make that clear
 - iii. Services Delivered Worksheet
 1. Services that include group and individual settings – i.e., supported employment is split into two individual services
 2. Behavior support is not a distinct service right now
 3. Workgroup representative requested for clarification on difference between Job Coaches/Vocational Trainers and Employment Specialists/Job Coach
 - a. Job coach and employment specialist will be combined into one staff description in the updated survey
 4. Provider representative expressed that there are other staff in addition to drivers that are involved in transportation
 - a. A separate column will be added for transportation to allow providers to also indicate staff who provide transportation services but are not dedicated drivers
 5. Provider representatives suggested the addition of the following staff types: PT/OT and dietician / food service.
 - a. The staff list in the survey will be expanded to include the suggested staff types and additional standard staff types
 - iv. Service Area Worksheet
 1. The Workgroup suggested the inclusion of “levels” in the nomenclature for residential services
 - v. Provider Wage Information
 1. Provider representatives shared the following considerations for the wages section in the survey:
 - a. Consider modifying survey to allow providers to report overtime pay and shift differentials
 - i. Survey will be modified to allow providers to report overtime hours and pay
 - b. Allow flexibility in the time period of wage data instead of a fixed date to make pulling the information easier for providers (e.g., July 2021 instead of July 1, 2021)
 2. Allow reporting rates for independent contractors

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- a. Survey instructions will be modified to clarify that hourly wages requested in the survey questionnaire should be reported for employees/staff, and not contracted staff.
 - b. Survey will be modified to include a new column for contractor rate
 - vi. Service Delivery Time
 - a. Provider representatives requested for additional clarity on service delivery time
 - For each waiver service, providers must identify the typical amount of time involved working with an individual (or in the case of group services, with a group of individuals)
 - Survey instructions and training will include detailed instructions along with an example for reference
 - vii. Transportation Details
 - a. Provider representatives expressed the possibility of not being able to provide all quantitative information regarding transportation
 - b. Guidehouse will consider alternative methods for arriving at transportation assumptions depending on information provided in response to the survey
- **Reviewed survey schedule**
Meeting Discussion:
 - a. Guidehouse will work with DHS to revise timeframe to allow for additional survey feedback before releasing to providers
- **Reviewed survey training and support**
Meeting Discussion:
 - a. Guidehouse will provide survey training, a FAQ document, as well as instructions in the survey template
 - b. Guidehouse will provide ongoing support through an e-mail account that providers can reach for questions while responding to the survey
- **Reviewed rate methodology workgroup meeting schedule**

Next Steps

- Reviewed next steps for SD Rate Methodology Workgroup and Guidehouse
Meeting Discussion
 - a. Rate Methodology Workgroup to provide additional feedback on the Provider Survey (*Rate Methodology Workgroup provided additional feedback by August 2, 2021 for Guidehouse and DHS's consideration*)
 - b. Guidehouse to consider the Rate Methodology Workgroup's feedback, finalize the survey, conduct provider survey training, and develop discussion questions for the next Rate Methodology Workgroup meeting (*Guidehouse reviewed survey with DHS, and released SD DD Provider Survey version 1 on August 4, 2021 and version 2 on August 9, 2021; Guidehouse conducted training on August 11, 2021 and shared training recording on August 12, 2021*)