

In-Home Medicaid/State Services Rate Study

Workgroup #2

Meeting Agenda

September 13, 2022
10:00 AM– 1:00 PM (Central)

Guidehouse Attendees:

Claire Payne
Poorna Suresh
Sean Clare

State Attendees:

Eric Weiss
Heather
Misty
Sarah Akers
Jennifer
Steven
Greg Evans
Jason Simmons

Workgroup Attendees:

Steven Novotny
Senator Breitling
Jolene Hinkley
Thomas Catron
Thomas Elness
Gabrielle Hoing
Vladislav Bykov

Intro

Claire Payne with Guidehouse (GH) welcomed attendees to the meeting and presented the agenda for the meeting and began facilitating GH presented overall collaboration expectations from advisory workgroup members and communication goals and objectives. Emphasis placed on collaboration and clarity.

Provider Cost and Wage Survey Responses

GH discusses survey responses and why the information provided is credible based on the volume and representativeness of services, geographic region and provider size based on MMIS SFY22 Medicaid spend.

GH walks through the buildup of the rate for stakeholders addressing each element. The rate build up is a visual representation of the various rate components that are developed and used to determine the final reimbursement rate.

Wage Results

GH caveats wage analysis and discusses data validation

GH discusses Job Type mix, Direct Care Wages Supplemental pay.

GH discusses the preliminary wage results based on the survey responses. These are baseline wages that do not include inflation or supplemental pay.

Question: Will some staff be left out of the wage build up?

GH Response: GH and the state will determine the best job type that fits the service description and build that wage into the rate models

GH Question: How do you choose LPN vs RN?

Jolene Hinkley in chat: very difficult to find staff

Senator Breitling Question: What is the service by job type table trying to tell us.

GH Response: This table is intended to show survey response related to the specific staff type that are currently providing the 6 in-home services included within this rate study.

Attendee Response to baseline wages: Nursing decrease in the survey is alarming.

State- Sarah Aker Response: Decrease in Nursing wage could be due to turnover, less experienced staff

GH notes that supplemental pay is not included

State- Greg Evans Question: How do you determine amount of supervision per employee

GH: Supervision ratios was a question asked within the provider cost and wage survey. This rate component is still being analyzed and will be presented at the final advisory workgroup meeting. it

Supplemental Pay

Attendee: if 80% reported supplemental pay above 25%, why were they thrown out? It seems significant.

GH Response: Only 40% of surveys reported any supplemental pay. Out of those responses preliminary supplemental pay percentages show that half of those responses seem to be over 25%. GH removed those "outliers" from analysis. GH will revisit the analysis and confirm findings. However, it is noted that the public BLS data shows consistent supplemental pay percentages over the last 5 years.

Attendee:

It still seems significant, as this is a lot of our costs. Overtime has been killing us with the shortage of workers.

Attendee: Re: Thomas's comment: Could you (Guidehouse) show the distribution of outliers reported in the survey? Could the outlier threshold be pushed up to a higher percentage to capture more than 20% of the submitted data?

Senator Breitling: Expresses concerns about throwing out data

State- Steven Kohler: requests that GH reach out to providers to clarify anomalies. Also look into staff shortages as an issue in the future. Also clarifies that the supplemental pay percentages will apply to all wages when calculating rate. So, in the cases where a provider does not provide supplemental pay to all of their employees this essentially accounts for those higher supplemental pay percentages for some employees.

Wage Adjustments

GH explains the cross-walking process for comparison to similar jobs from BLS and how the CES inflation application applies to inflate the BLS wages to match the survey response time period

GH explains PPI within the industry

GH discusses the wage increases that were reported within the survey. An additional question was asked in the survey related to wage increases after the end of the survey period (June 2022).

GH discusses wage survey results vs publicly available information and how the similarity gives credibility to the survey. GH recommendation is to use the survey wage increase response to increase baseline wages reported. Still a question about additional inflation to account for when these rates will go into effect.

GH explains preliminary wage recommendations

Senator Breitling: notes variation between NF and home care

GH: notes the benefit of doing rate studies for services

Attendee: did you say this does not include travel?

GH: Correct, travel will be addressed separately

Attendee: Notes that NF are direct competition for workers

Attendee: Expresses concern that the Homemaker/Personal Care wage is higher than Adult Companion/Respite wage

GH: Will discuss with state

Attendee: Can you restate the numbers that are still up for the debate and how those are being decided?

GH: All numbers are still up for discussion or change; Wages, inflation, supplemental pay. This workgroup was intended to show the results from the survey but there is room for changes based on workgroup responses and conversation with the state.

Employee Related Expenses

GH discusses how a competitive benefits package is built into the rates and the advantages of this approach

GH discusses take up rates for various components

GH explains how ERE is calculated and applied to the rate

Attendee: I feel like wages seem low for caregivers. Our average wage is higher and expect it will go up even more as demand is so high for entry level staff.

GH: Explains that wages are baseline and will be adjusted upward prior to being used for the rates. The wages being shown on the ERE table do not reflect the additional inflation change and supplemental pay.

Additional Rate Component Considerations

GH discusses Administration Cost Factor

Attendee: What is the normal Admin rate?

GH: Typically, 20%-22%. Some states also set a threshold on admin which can influence the rates.

GH discusses Program Support costs and that there are two components that will be utilized in these rates: supplies and transportation. Transportation can also be included within the rates as a dollar add on. This methodology will be discussed in the final workgroup meeting.

Billable vs Non-Billable Time

GH asks for feedback on billable time numbers and if they seem in line with what providers would expect to see? Does it make sense most services show similar productivity factors except for Nursing coming in a little bit lower at 75%?

Attendee:

With nurses also a lot more proportional travel time as visits are only 1 hour long (explains lower billable %)

Attendee: low nursing rate makes sense in rural areas since nurses may spend a large amount of time driving

Attendee: possible solution could be longer visits and more careful allocation to providers that see rural areas

GH discusses that some states will set productivity thresholds.

Peer State Comparisons

GH discusses peer state comparisons

GH caveats that service descriptions can be difficult to compare

GH caveats that some peer states are currently considering increases

GH notes that SD consistently comes in at or near the top of wages when compared to similar states

Attendee: Can you share if any of these other states utilize a daily and/or per-visit rate for any of these services and, if so, how that influences how we should compare across states?

GH: GH only included states with the same unit of measure.

Advisory Workgroup Timelines and Next Steps

GH discusses next steps and presents timeline

Attendee: inquiry about total costs

GH: will address in the next meeting

Q&A

Question: preference for virtual/in-person/hybrid

Poll Response: 1 In-Person, 9 Virtual

Adjournment @ 1:00 PM (Central)

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