



KENTUCKY CABINET FOR HEALTH AND FAMILY SERVICES

Rate Study Work Group Meeting ***Review of Draft HCBS Provider Cost Survey***

March 28, 2022

Agenda

1. Meeting Objectives and Workgroup Timelines
2. Review of Rate Model Components
3. Survey Overview
4. Review of Cost Survey Worksheets
5. Direct Care Staff Types
6. Communication and Next Steps



MEETING OBJECTIVES AND WORKGROUP TIMELINES

Today's Objectives

Meeting Objectives and Workgroup Timelines

Recap examples of rate model components

Provide a high-level overview of survey tools and worksheets

Review individual cost survey worksheets and obtain feedback

Obtain feedback on direct care staff types

Key Tasks and Estimated Timeframe

Meeting Objectives and Workgroup Timelines

Pre-Planning

- Conduct background research
- Develop survey approach
- Determination of services included in rate study
- Updating Appendix K for additional short-term provider relief

April - June

- Issue provider cost and wage survey
- Analyze and present provider survey results

September - November

- Obtain DMS and legislative approval on rates
- Finalize rate documentation
- Public comment process

March

- Plan and implement stakeholder engagement activities
- Review draft provider cost and wage survey with workgroup
- Finalize provider cost and wage survey

July - August

- Rate development process
- DMS approval of draft rates

December

- Submit waiver amendment to CMS (begin CMS 90-day review period)

REVIEW OF RATE MODEL COMPONENTS

Objective: Recap examples of rate model components

Direct Care Core Components

Review of Rate Model Components

Component	Description
Staff wages	Hourly wages for program (direct care) employees
Employee Related Expense (ERE) Factor	Costs associated with payroll hours to cover program employee paid time off (e.g., vacation and sick days), training time, etc.
Average Staffing Patterns	Average number of clients receiving services from one staff person
Non-Billable Time Adjustment	Time that program staff must spend on non-reimbursable activities
Supervisor Wage and Span of Control	Hourly wages for supervisor staff (if not already accounted for in administrative costs) and number of direct care workers overseen by one supervisor

Non-Direct Care Core Components

Review of Rate Model Components

Component	Description
Employee Benefits Factor	Typically expressed as a ratio of total employee taxes and insurance (health, dental and retirement benefits) to total employee salaries and wages
Administration Factor	Typically expressed as ratio of administration expenses to program employee salaries, wages and benefits
Program Support Adjustment	Expenses to support program employee salaries, wages and benefits. Can include non-room and board facility costs, transportation and supplies.

Rate Model Components Rely on a Variety of Sources

Review of Rate Model Components

HCBS provider cost
and wage survey data

Inflation factors

Medical Expenditure
Panel Survey –
Insurance Component
(MEPS-IC)

Other state and
national benchmarks

Bureau of Labor
Statistics (BLS) wage
data (state-specific)

BLS benefits data
(state-specific)

Survey data allows us to incorporate the true provider experience while other sources allow us to account for situations that the providers have not yet directly experienced or to validate the provider experience. For example, inflation factors helps estimate how wages will grow in future years and BLS data helps confirm the provider wage experience across KY or the national landscape.

SURVEY OVERVIEW

Objective: Provide a high-level overview of survey tools and worksheets

Prior Survey Response Rate*

Survey Overview

Waiver	Total 1915(c) Waiver Providers		Submitted Surveys			
	Number of Providers	Total Medicaid Expenditures	Number of Submitted Surveys	Total Medicaid Expenditures	% of Provider Population	% of Medicaid Expenditures
ABI	42	\$22,306,374	21	\$18,974,631	55%	85.1%
ABI-LTC	51	\$20,918,096	23	\$13,917,352	51%	66.5%
HCB	184	\$86,272,191	32	\$49,067,265	26%	56.9%
MPW	323	\$321,673,253	88	\$210,285,518	35%	65.4%
Model II	13	\$3,123,148	1	\$302,329.57	11%	9.7%
SCL	252	\$333,992,455	77	\$145,258,245	35%	43.5%
Total	359	\$788,285,517	107	\$437,805,339	30%	55.5%

- Overall response rate of 30%, representing 55.5% of all waiver expenditures
- Response rate varied by provider size
 - Large provider (>\$1M) response rate: 45%
 - Small provider (<\$1M) response rate: 18%

**Results from April 2019*

High Level Approach

Survey Overview

- The survey collects general cost data and detailed information on one or more of the following service categories:

- | | |
|-------------------------|-------------------------|
| 1. Home-Based Services | 5. Nursing |
| 2. Day Services | 6. Supported Employment |
| 3. Residential Services | 7. Case Management |
| 4. Behavioral Services | |

- The survey is interactive – service category-specific columns appear based on which services the provider indicates they deliver
- Providers will be encouraged to complete as much of the worksheet as possible, particularly the worksheet that collects data on hourly wages for direct care workers

Survey completion will be strongly encouraged but is not required

Proposed Abbreviated Survey Approach

Survey Overview

Reminder: We will be moving forward with an abbreviated survey approach to reduce administrative burden on providers. However, all relevant components will still be included in the rate model based on prior survey data, inflationary adjustments, and other sources.

Data Collected in New Survey	Wages
	Benefits
	Supervisor Costs
	Other

The proposed survey approach allows providers to report on cost centers where change is anticipated from past survey data, while minimizing preventable administrative burden to collect updated information that has limited new value.

Worksheets in the Survey

Survey Overview

Survey Tab	Data Collected
Contact Information	Provider contact information, including fiscal years and providers IDs
Service Area	The counties where services are provided
Services Provided	Waivers and services provided
Direct Care Staff	Salary and wages, number of employees and percent of time allocated to waiver programs by staff type for direct care staff
Benefits	Provider benefit structure and costs
Additional Questions	Costs related to COVID-19, including costs of Personal Protective Equipment (PPE), social distancing, technology, and training

REVIEW OF COST SURVEY WORKSHEETS

Objective: Review individual cost survey worksheets and obtain feedback

Questions for Feedback

Review of Cost Survey Worksheets

What parts of the cost survey may be difficult to complete and how can this be improved?

What terms or phrasing are not clear?

Are the service category groupings intuitive for understanding how the services are organized?

How can we ensure COVID-19 questions appropriately capture provider experience and account for ongoing changes in cost

Other feedback and questions?

DIRECT CARE STAFF TYPES

Objective: Obtain feedback on direct care staff types

Proposed Types to Include in Survey

Direct Care Staff Types

- Behavioral Support Specialist / Behavioral Analyst
- Case Manager
- Certified Nursing Assistant (CNA)
- Chef / Cook
- Dietician
- Direct Support Professional (DSP)
- Driver
- Employment Specialist
- Financial Manager
- Food Prep Worker / Server
- Home Health Aide (HHA)
- Licensed Clinical Social Worker
- Licensed Practical Nurse (LPN)
- Psychiatrist
- Psychologist
- Registered Nurse (RN)
- Respiratory Therapist
- Social Worker (Other)
- Support Broker

COMMUNICATION AND NEXT STEPS

Provider Assistance

Communication and Next Steps

During the rate study, Guidehouse will provide multiple methods of assistance to providers to promote survey completion, including:

1. HCBS Rate Study Inbox:

- Providers can email Guidehouse at KYHCBSRateStudy@Guidehouse.com for survey-specific or technical questions
- Providers can also email DMS at CHFS.RateStudyWorkGroup@ky.gov with general rate study questions

2. HCBS Rate Study FAQs

- DMS will post an FAQ document on the HCBS cost survey website and update on a weekly basis

3. Survey Training Material and Recording

- DMS will post the cost survey training presentation and webinar recording on the HCBS cost survey website

Survey Communication Approach

Communication and Next Steps

The communication strategy is designed to provide advanced notice and reminders throughout the survey process so that providers have adequate time to plan for and respond to the survey.

Date*	Communication	Method
3/24	Pre-Communications of announcement of survey release, including training dates	Email / Website
4/7	Announcement of survey release, including training dates	Email / Website
4/12; 4/13	Provider survey training (recording / materials to be posted on project website)	Webinar
4/11; 4/18; 4/25; 5/2	Weekly reminder notice to complete the survey with reference to FAQ and inbox email address	Email
5/6	Survey deadline	N/A

**Dates are tentative and subject to change*

Upcoming Timelines

Communication and Next Steps

Rate Study Work Group reviews draft survey and discusses outreach approach – **March 28**



Review and address feedback received from Rate Study Work Group (Provide written comments by **EOD 3/31**)



DMS distributes survey and conducts training – **April 7** (tentative)



Survey due – **4 weeks from release – May 6** (tentative)



Guidehouse reviews and analyzes results and shares with the workgroup – **May/June**

Topics for Upcoming Meetings

MAR

Survey Review and Provider Communication Approach

- Review draft rate survey and provide input
- Additional education on external data use vs. new data needs
- Communication approach

APR

Discuss Model Assumptions

- Review and update key model assumptions from previous rate study
- Model assumptions may include program support cost factors, administrative overhead, productivity and staffing patterns, etc.

MAY

Review Survey Results

- Key takeaways from survey
- Review wages and benefit model

JUN

Discuss Model Assumptions (continued)

- Review and update key model assumptions from previous rate study
- Model assumptions may include program support cost factors, administrative overhead, productivity and staffing patterns, etc.

JUL

Discuss Model Assumptions (continued)

- Review and update key model assumptions from previous rate study
- Model assumptions may include program support cost factors, administrative overhead, productivity and staffing patterns, etc.

AUG

Share Proposed Rate Models and Fiscal Impact

- Final model results
- Overall fiscal impact and key takeaways
- Next steps for 1915(c) waiver amendments and public comment

Note: Meeting topics are tentative and subject to change at the discretion of CHFS.

QUESTIONS OR COMMENTS?



Please contact **CHFS.RateStudyWorkGroup@ky.gov** or **KYHCBSRateStudy@guidehouse.com** with any questions or additional feedback from today's discussion.



Contact

KY Rate Study Work Group Mailbox

For general rate study questions

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For survey-specific for technical rate study questions

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