

State of New Mexico
Department of Health
Developmental Disabilities Supports Division
Rate Recommendation Report
Public Consulting Group, Inc.

June 2019

TABLE OF CONTENTS

I. Executive Summary	3
III. Methodology.....	9
IV. Market Salary Analysis	14
V. Time Study Analysis	16
VI. Cost Report & Personnel Roster Analysis.....	21
VII. Peer State Research	23
VIII. Electronic Visit Verification (EVV) Considerations	27
IX. Rate Calculations.....	29
X. Rate Recommendations	40
XI. Programmatic Recommendations	43
XII. Acknowledgments.....	48
APPENDIX A – BLS DISCIPLINES	49
APPENDIX B – RATE CALCULATION TABLES DEVELOPMENTAL DISABILITIES WAIVER	59
APPENDIX C – RATE CALCULATION TABLES MEDICALLY FRAGILE WAIVER	72
APPENDIX D – RATE CALCULATION TABLES MI VIA WAIVER	77

I. EXECUTIVE SUMMARY

Public Consulting Group, Inc. (PCG) was contracted by the New Mexico Department of Health (DOH), Developmental Disabilities Supports Division (DDSD) to calculate statewide payment rates for providers that contract with DSDD to provide services to individuals with intellectual and developmental disabilities through three 1915(c) Medicaid home- and community-based services (HCBS) waiver programs: Developmental Disabilities (DD); Mi Via (MV); and Medically Fragile (MF). This executive summary condenses the report into the following components: themes, limitations and considerations, and recommendations. The calculated rates are based on state fiscal year 2018 (SFY18) market rates and state fiscal year or calendar year 2017 cost report data. As the report illustrates, a time study was conducted in 2019 to help associate time with expense data.

Themes

PCG collected provider information from three primary data sources: cost reports, personnel rosters and time studies. Overall, PCG received 53 cost reports, 57 personnel rosters, and 1,985 time studies. 80 providers submitted at least 1 of the tools.

Table I-A: Data Submissions

Tool	2018-19	
	Number Received	Number Used
Cost Reports Received	53	50
Personnel Rosters Received	57	56
Time Studies Received	1,985	1,652

The **cost reports** captured high-level service, revenue and expense information related to the HCBS waiver programs in SFY17. Some providers operate on a calendar year, so certain providers submitted cost report data for the 2017 calendar year instead of SFY17. Specifically, the cost report allowed PCG to come up with proportions of direct personnel to administrative expenses.

Personnel rosters were collected to serve as a measure of quality assurance for the time studies and market salary rate research. Providers were asked to give their current personnel rosters based on the most up-to-date staffing information for employees and subcontractors that deliver services and administrative personnel. The rosters also provided valuable information on subcontractor rates and gave PCG a methodology to weight market rates appropriately based on actual HCBS waiver data.

Time study data was requested from all personnel that deliver HCBS waiver services. After receiving feedback from the subcommittee and other stakeholders, PCG developed five time study tools that captured groups of services on each tool. After the quality assurance process, 30 out of 33 counties were represented in the time study. Participants measured their time based on 15-minute activity categories during a 14-day period on four of the tools. Participants measured their time based on one-hour activity categories on Tool # 5 for Supported Living and In-Home Living Supports. This information was used to calculate a billable percentage and mileage factor. The rate calculations would then account for all billable and non-billable time (including travel).

Rate calculations were completed based on the hourly cost of the billable unit to providers using market salaries and actual provider expenses, except for some services which included alternative inputs and calculations. For example, an hour of billable time may cost a provider two hours of their time because of associated travel, report writing and administrative time. This is reflected in all the rate calculations. The rate calculations therefore most rates start with a blended market salary rate that adds all other costs and non-billable time to it. Variations for incentive and groups were also calculated.

Limitations and Considerations

The following limitations and considerations were encountered during the rate study:

- **Market-Based Salaries:** Market salaries were used based on data collected by the Bureau of Labor Statistics (BLS). This had a positive impact on the rates but may not account for ongoing personnel-related issues with pay rates and worker satisfaction.
- **Inflation:** The market and cost report data were both based on state fiscal year SFY18 and SFY17 information respectively, which may be three years before an implementation period. PCG provided a section in this report to address inflation based on best practices in provider payment rate setting for social services.
- **Quality Assurance:** PCG and DSDD worked well with providers to ensure the quality and consistency of all data collected. PCG implemented a series of controls to improve the provider data. However, PCG cannot guarantee the accuracy of all submissions due to the sheer number of cost reports, personnel rosters and time studies submitted by providers. Attestations of accuracy were included on all tools.
- **Geographic Differences:** New Mexico has a unique geographical structure that does not easily fit within a typical urban/rural analysis. The data did not display material differences in costs based on geography, so PCG did not calculate an alternative rate structure for geographical differences outside of the currently leveraged incentive rate structure.
- **Current Structure Implications:** Some provider cost report and roster data may be heavily influenced by the current structure based on the type and amount of HCBS waiver services performed as well as other funding mechanisms in place.
- **Stakeholder Input and Assumptions:** Some data in the report are based exclusively on stakeholder and state input using their professional experience (e.g. average caseload) because it was not accurately captured/categorized in the other data sources.

Rate Recommendations

PCG recommends the rates on the following pages based on the methodologies and calculations described in this report:

Developmental Disabilities Waiver

SERVICE	UNIT	BILLABLE % TIME STUDY	BILLABLE % INDUSTRY STANDARD	BILLABLE SOURCE	CURRENT RATE	CURRENT INCENTIVE RATE	RECOMMENDED RATE	RECOMMENDED INCENTIVE RATE	VARIANCE
Speech Language Pathology	15 Min	54%		N/A: CPI	\$ 22.90	\$ 29.20	\$ 25.75	\$ 32.83	12%
Occupational Therapy	15 Min	46%		N/A: CPI	\$ 22.90	\$ 29.20	\$ 25.75	\$ 32.83	12%
Occupational Therapy Assistant	15 Min	74%		N/A: CPI	\$ 18.84	\$ 24.71	\$ 21.18	\$ 27.78	12%
Physical Therapy	15 Min	52%		N/A: CPI	\$ 22.90	\$ 29.20	\$ 25.75	\$ 32.83	12%
Physical Therapy Assistant	15 Min	60%		N/A: CPI	\$ 18.84	\$ 24.71	\$ 21.18	\$ 27.78	12%
Behavioral Support Consultation	15 Min	54%		N/A: CPI	\$ 18.34	\$ 23.66	\$ 20.62	\$ 26.60	12%
Case Management (On-going) DD	Month	67%	70%	Industry	\$ 254.91		\$ 314.35		23%
Respite (DD)	15 Min	89%		Time Study	\$ 4.67		\$ 4.82		3%
Respite (Group)	15 Min	64%		Time Study	\$ 2.67		\$ 3.28		23%
Nutritional Counseling	15 Min	80%		Time Study (Agg)	\$ 12.96		\$ 21.10		63%
Adult Nursing Services (RN)	15 Min	48%	65%	Industry	\$ 19.23		\$ 24.36		27%
Adult Nursing Services (LPN)	15 Min	43%	65%	Industry	\$ 13.92		\$ 16.59		19%
CCS - Individual	15 Min	71%		Time Study	\$ 7.18		\$ 8.86		23%
CCS - Group (Cat 1)**	15 Min	64%		Time Study	\$ 2.68		\$ 2.54		-5%
CCS - Group (Cat 2)	15 Min	64%	70%	Industry	\$ 4.02		\$ 5.21		30%
CCS - Group (Small Group)	15 Min	64%	55%	Industry	\$ 4.00		\$ 5.73		43%
Community Inclusion Aide*	Hour	N/A	80%	Industry	\$ 18.03		\$ 34.44		91%
Customized In-Home Supports (Living with Family or Natural Supports)	15 Min	87%		Time Study	\$ 6.87		\$ 7.99		16%
Customized In-Home Supports (Living Independently)	15 Min	87%		Time Study	\$ 6.87		\$ 7.99		16%
Preliminary Risk Screening and Consultation for Sexually Inappropriate Behavior	15 Min	64%		Time Study (Agg)	\$ 20.32	\$ 26.03	\$ 26.94	\$ 34.51	33%
CIE - Job Maintenance*	Month	52%		Time Study	\$ 951.66		\$ 1,346.60		41%
CIE - Group (Cat 1)	15 Min	68%		Time Study	\$ 1.99		\$ 2.22		11%
CIE - Group (Cat 2)	15 Min	68%		Time Study	\$ 3.01		\$ 3.69		23%
CIE - Self Employment	15 Min	52%		Time Study	\$ 6.78		\$ 15.30		126%
CIE - Job Aide*	Hour	89%	80%	Industry	\$ 18.03		\$ 34.44		91%
CIE - Intensive	Hour	53%		Time Study	\$ 42.64		\$ 56.42		32%
Crisis Supports (Alternative Resid)	Day	72%		Time Study	\$ 352.07		\$ 465.49		27%
Crisis Supports (Individual's Resid)	15 Min	72%		Time Study	\$ 9.23		\$ 9.70		5%
Family Living	Day	90%		Time Study	\$ 119.48		\$ 145.52		22%
Supported Living Cat. 1 (Basic)	Day	90%		Time Study	\$ 195.52		\$ 210.35		8%
Supported Living Cat. 2 (Moderate)	Day	90%		Time Study	\$ 232.76		\$ 258.69		11%
Supported Living Cat. 3 (Extensive)	Day	90%		Time Study	\$ 293.52		\$ 339.09		16%
Supported Living Cat. 4 (Extraordinary)	Day	90%		Time Study	\$ 392.25		\$ 435.81		11%
Intensive Medical Living Supports	Day	90%		Time Study	\$ 429.18		\$ 468.00		9%
*These rate structures are being reviewed as part of waiver renewal									
**The state does not intend to decrease any rates. This rate will not reflect a decrease									

Medically Fragile Waiver

SERVICE	UNIT	BILLABLE % TIME STUDY	BILLABLE % INDUSTRY STANDARD	BILLABLE SOURCE	CURRENT RATE	RECOMMENDED RATE	VARIANCE
Case Management Assessment	Unit	40%	70%	Industry	\$ 55.06	\$ 100.72	83%
Case Management On-Going	Month	40%	70%	Industry	\$ 475.00	\$ 581.94	23%
Home Health Aide	Hour	91%		Time Study	\$ 16.32	\$ 30.46	87%
Home Health Aide (Respite)	Hour	91%		Time Study	\$ 16.32	\$ 30.46	87%
Speech Therapy	15 Min	54%		N/A: CPI	\$ 22.90	\$ 25.75	12%
Private Duty Nursing—RN Respite	15 Min	48%	65%	Industry	\$ 19.23	\$ 24.36	27%
Private Duty Nursing—RN	15 Min	48%	65%	Industry	\$ 19.23	\$ 24.36	27%
Private Duty Nursing—LPN Respite	15 Min	43%	65%	Industry	\$ 13.92	\$ 16.59	19%
Private Duty Nursing—LPN	15 Min	43%	65%	Industry	\$ 13.92	\$ 16.59	19%
Physical Therapy	15 Min	52%		N/A: CPI	\$ 22.90	\$ 25.75	12%
Occupational Therapy	15 Min	46%		N/A: CPI	\$ 22.90	\$ 25.75	12%
Nutritional Counseling	Hour	80%		Time Study (Agg)	\$ 42.83	\$ 84.40	97%
Out of Home Respite	Day	N/A		N/A: IMLS	\$ 315.07	\$ 468.00	49%
Behavior Support Consultation – Clinic Based	15 Min	54%		N/A: CPI	\$ 11.63	\$ 13.08	12%
Behavior Support Consultation	15 Min	54%		N/A: CPI	\$ 19.62	\$ 22.06	12%

Mi Via Waiver

SERVICE	UNIT	BILLABLE % TIME STUDY	BILLABLE % INDUSTRY STANDARD	BILLABLE SOURCE	CURRENT RATE	RECOMMENDED RATE	VARIANCE
Consultant Services	Month	55%		Time Study	\$ 243.00	\$ 313.93	29%
In-Home Living Supports	Day	87%		Time Study	\$25 - 131.50	\$25.04 - 150.26	14%

II. PROJECT BACKGROUND

In July 2018, New Mexico Department of Health, Developmental Disabilities Supports Division (DDSD), contracted with Public Consulting Group, Inc. (PCG) to perform a study to recommend reimbursement rates for individuals with intellectual and developmental disabilities receiving services through three 1915(c) Medicaid home- and community-based (HCBS) waiver programs. This includes the following waivers: Developmental Disabilities, Medically Fragile and Mi Via.

The mission of the DDSD is to effectively administer a system of person-centered community supports and services that promotes positive outcomes for all stakeholders with a primary focus of assisting individuals with intellectual and developmental disabilities and their families to exercise their right to make choices, grow, and contribute to their community.

HCBS Waiver Program Providers

In New Mexico, DDSD supports over 4,964 people for total expenditures of approximately \$357 million in the state fiscal year (SFY) 17 across the three Medicaid waiver programs. During that same fiscal period, 3,578 individuals received services through the Developmental Disabilities Waiver, 1,379 individuals received services through the Mi Via Waiver, and 160 individuals received services through the Medically Fragile Waiver.

There are over 300 provider agencies and approximately 50 vendors authorized to provide living supports for individuals enrolled on the Mi Via waiver.

The following services were included in PCG's rate study:

Table II-A: Services Included in Rate Setting Project

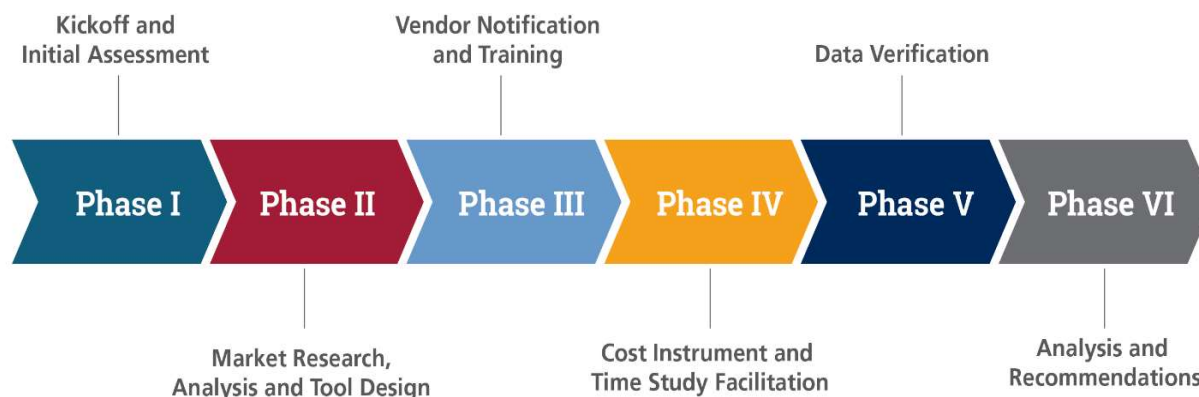
Developmental Disabilities Waiver	Medically Fragile Waiver	Mi Via Waiver
<ul style="list-style-type: none"> Adult Nursing Services, LPN Adult Nursing Services, RN Assistive Technology Behavioral Support Consultation, Incentive/ Standard Case Management Community Inclusion Aide Community Integrated Employment (CIE) Group, <ul style="list-style-type: none"> Category 1 Category 2 Extensive Support Community Integrated Employment (CIE), <ul style="list-style-type: none"> Intensive Job Aide Job Maintenance Self-Employment Crisis Support <ul style="list-style-type: none"> Alternative Residential Setting Individual's Residence Customized Community Support (CCS), Group, 	<ul style="list-style-type: none"> Behavior Support Consultation Case Management Facilitation of Specialized Medical Equipment Home Health Aide Home Health Aide—Respite In Home Assessment Nutritional Counseling Occupational Therapy Physical Therapy Private Duty Nursing—LPN Private Duty Nursing—LPN Respite Private Duty Nursing—RN Private Duty Nursing—RN Respite Specialized Respite Home Speech Therapy 	<ul style="list-style-type: none"> In Home Living Support Consultant

<ul style="list-style-type: none"> ○ Category 1 ○ Category 2 Extensive Support ○ Individual ○ Small Group • Customized In-Home Supports, <ul style="list-style-type: none"> ○ Living Independently ○ Living with Family or Natural Supports • Family Living • Intensive Medical Living Services • Nutritional Counseling • Occupational Therapy Assistant Standard/ Incentive • Occupational Therapy, Standard/ Incentive • Physical Therapy Assistant (PTA), Standard/ Incentive • Physical Therapy, Standard/ Incentive • Preliminary Risk Screening and Consultation for Inappropriate Sexual Behavior, Standard/ Incentive • Respite • Respite - Group • Speech, Language Pathology, Standard/ Incentive • Supported Living <ul style="list-style-type: none"> ○ Category 1 Basic Support ○ Category 2 Moderate Support ○ Category 3 Extensive Support ○ Category 4 Extraordinary Medical/ Behavioral Support 		
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The following report details the results of PCG's study and recommendations.

III. METHODOLOGY

The approach for this engagement involved six phases as outlined below.

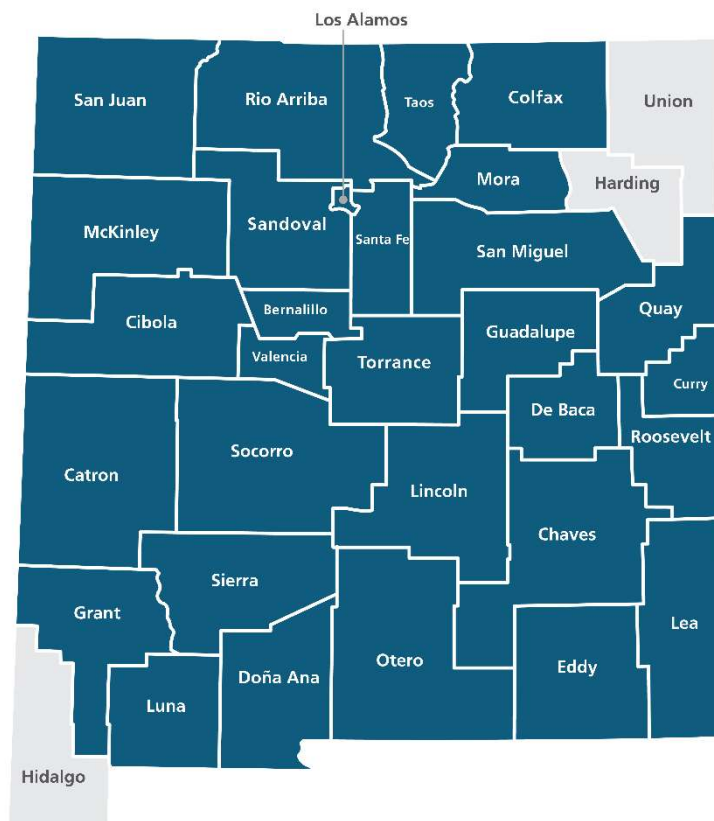


Tasks under each phase above were coordinated with the New Mexico Department of Health (DOH) - Developmental Disabilities Supports Division (DDSD), Human Services Department (HSD) - Medical Assistance Division, the Advisory Council on Quality Supports for People with Intellectual/Developmental Disabilities (ACQ) Rate Study Subcommittee, HCBS providers and other staff as necessary. During the project, PCG conducted ongoing project management activities including regular check in meetings with DDSD staff, ongoing coordination of the cost reporting and time study process, quality assurance activities, and conducting follow up as necessary. In addition, PCG held multiple meetings and focus groups with the ACQ Rate Study Subcommittee and other target stakeholder groups, who gave input on the methodology and assumptions. The graphic below depicts specific tasks completed under each phase.

PHASE I: Kickoff and Initial Assessment	<ul style="list-style-type: none"> • Kickoff meeting • Document request • Review and catalog data recieved from DDSD
PHASE II: Market Analysis, Cost Instrument, and Time Study Tool Design	<ul style="list-style-type: none"> • Draft analysis approach, cost report, time study, personnel roster, instructions, and description of methodology • Conduct meetings with providers to vet data collection tools, schedule, and description of methodology • Obtain DDSD and subcommittee feedback • Conduct focus groups to improve time study tools.
PHASE III: Provider Notification and Training	<ul style="list-style-type: none"> • Draft provider notification communication • Draft training materials • Conduct live webinars to train providers regarding cost report, time study, and personnel roster • Provide five additional live training webinars to review each of the tools separately.
PHASE IV: Cost Instrument and Time Study Facilitation	<ul style="list-style-type: none"> • Distribute cost report and time study to providers • Provide technical assistance throughout survey period • Catalog submission of cost report, time studies, and personnel roster
PHASE V: Data Verification and Analysis	<ul style="list-style-type: none"> • Conduct data verification and quality assurance activities • Compile provider responses for data analysis
PHASE VI: Analysis, Final Report, and Recommendations	<ul style="list-style-type: none"> • Analysis of Market analysis, cost report, time study, and personnel roster results • Develop Recommendations • Develop final report and presentation

Time Study Sample

All provider agencies that provide 1915(c) HCBS waiver services that were included in the rate study were invited to participate in the time study. PCG originally created three distinct time studies by waiver that captured all billable services on the three waivers, respectively. After receiving feedback from the ACQ Rate Study Subcommittee and other stakeholders in targeted focus group discussions, PCG updated the time study tools to capture similar services on five separate tools. All five tools were distributed and administered directly by HCBS waiver provider program staff. Four of the tools were completed by direct service staff and subcontractors, while one of the tools was completed by administrative staff, such as a billing clerk or administrative assistant who completed the time studies based on case notes and timesheets. Time studies were conducted during two, two-week periods from February 18, 2019 to March 13, 2019 or from February 25, 2019 to March 10, 2019. Staff only had to track their time during one of the available two-week periods.



In this analysis, time studies were used to quantify the portion of staff time allocated to HCBS waiver services in 15-minute increments on four of the tools, and in one-hour increments on the fifth tool. These results were used to identify the time and effort associated with service delivery. This allowed PCG to understand the time spent by various staff performing services and other unbillable activities and how those times aligned with associated expenses. Staff who completed the time studies were also expected to be included in the program's submitted personnel roster to capture individual compensation data. Note that these data were not used as an evaluation of provider effectiveness or compliance.

A sample of time studies were reviewed by PCG staff for errors and reasonability, but given the number of time studies received, PCG was unable to review all time studies. PCG filtered for unique time studies and removed duplicates by participant name and file name, since some providers erroneously submitted the same time study twice.

The following table indicates how many time studies received and used after the quality assurance process:

Table III-A: Time Study Participation

Time Study	Services Covered	Number Received	Number Used
Tool 1	<ul style="list-style-type: none"> ➤ Case Management ➤ Consultant 	119	117
Tool 2	<ul style="list-style-type: none"> ➤ Nursing ➤ Therapies ➤ Behavioral Support ➤ Consultation ➤ Nutritional Counseling 	184	130

	<ul style="list-style-type: none"> ➤ Preliminary Risk Screening for Inappropriate Sexual Behavior ➤ Socialization and Sexuality Education ➤ Bundled Nutrition ➤ Bundled Nursing 		
Tool 3	<ul style="list-style-type: none"> ➤ Group services <ul style="list-style-type: none"> a. Customized Community Supports b. Community Integrated Employment c. Respite 	224	170
Tool 4	<ul style="list-style-type: none"> ➤ Community Integrated Employment- Individual ➤ Customized Community Supports- Individual ➤ Community Inclusion Aide ➤ Crisis Support 	288	254
Tool 5	<ul style="list-style-type: none"> ➤ Family Living ➤ In-Home Supports ➤ Intensive Medical ➤ Supported Living ➤ Respite 	1,170	981
Total		1,985	1,652

After the Quality Assurance process, a total of 1,652 time studies were included from agencies serving 30 out of 33 counties in the final analysis, (represented by the map above.) The exact number of provider agencies is unknown given that many time study tools did not have this information included. In addition, the exact number of time study participants is unknown because PCG advised time study participants to complete more than one tool if they provided services captured under multiple tools.

Cost Report & Personnel Roster Submissions

Similar to the time studies, all HCBS provider agencies that provide services included in the rate study were invited to complete a cost report and personnel roster during this engagement. Cost reports were designed to capture program revenue and expenses for fiscal year 2017 July 1, 2016 – June 30, 2017 (or CY2017), while personnel roster submissions were for current staffing to align with the time studies. Certain provider agencies that operate on a calendar year were instructed to use the 2017 calendar year. To effectively develop these tools, PCG adapted tools that have been used successfully for similar studies in other states and tested them with input from DDSD staff and the ACQ Rate Study Subcommittee. After testing and revisions, PCG conducted live and recorded trainings and distributed several reference resources for providers to assist in completing the tools.

PCG ultimately received 53 cost reports and 57 personnel rosters. Overall, 80 providers submitted at least 1 tool, and the cost reports and personnel rosters came from a well-represented distribution of provider sizes. PCG conducted a thorough quality assurance process to ensure accuracy and completeness of all submissions. The QA process began on March 22nd, 2019 following the submission due date.

Table III-B: Data Submissions

Tool	2018-19	
	Number Received	Number Used
Cost Reports Received	53	50
Personnel Rosters Received	57	56
Time Studies Received	1,985	1,652

The chart below describes how the tools were developed, completed, and reviewed to ensure the highest level of integrity in the analysis and results.

Table III-C: Tool Quality Assurance Controls

Quality Assurance Control	Purpose
Stakeholder Group	<ul style="list-style-type: none"> • Opportunity to test tools¹ and their assumptions. • Solicit feedback from the provider community.
Tool Edits and Testing	<ul style="list-style-type: none"> • Agree on and make changes to the tools. • Test the final tools by entering test data to every field. • Conduct focus groups to improve time study tools.
Tool and Instructions Distribution	<ul style="list-style-type: none"> • Allow providers to review the tools and instructions prior to trainings.
Technical Assistance <ul style="list-style-type: none"> • Email account • Help line • Live and recorded webinars • Word instructions • Training PPT 	<ul style="list-style-type: none"> • Provide agencies with several resources to answer any questions related to the tool process. • Log correspondence summaries.
Tool Trainings	<ul style="list-style-type: none"> • Provide three live training webinars to orient agencies to the tools, timeline, and resources available. • Provide five additional live training webinars to review each of the five tools separately.
Submission Due Date	<ul style="list-style-type: none"> • Give agencies six weeks to complete the tools and return to PCG. • Extended timeline to complete the time study tools given delay to incorporate focus group feedback
Follow-Up with Agencies	<ul style="list-style-type: none"> • Reach out to agencies that have not submitted tools.
Quality Assurance Checklist Review	<ul style="list-style-type: none"> • Ensure at least two PCG employees review each tool submission and its accompanying backup documentation for accuracy and completeness.
Quality Assurance Q&A with Agencies	<ul style="list-style-type: none"> • Email a summary of quality assurance (QA) findings to providers to acquire additional information/clarification.
Adjustments to Tools	<ul style="list-style-type: none"> • Provider resubmissions were used instead of original submissions.
Import of Data	<ul style="list-style-type: none"> • Agency tool data was not final until all submissions were reviewed, and providers were contacted as needed.

¹ All three of the tools (cost report, personnel roster, and time study) were put through the entirety of the described quality assurance process.

Quality Assurance Control	Purpose
Flag Unreasonable Submissions	<ul style="list-style-type: none"> For instance: initial analysis flagged several providers that still had corrupted back sheets and unreasonable data, such as HCBS waiver total revenue that was greater than overall program revenue.
Review Flagged Submissions with DDSD	<ul style="list-style-type: none"> Ensure DDSD understands why providers were flagged and agree on next steps for follow up.
Reach out to Flagged Submissions	<ul style="list-style-type: none"> Acquire clarification (or in some cases resubmissions) for flagged submissions.
Final Adjustments to Tools	<ul style="list-style-type: none"> Make final adjustments to tools based on clarification/information provided by flagged providers.
Test and Make Final Edits to Data	<ul style="list-style-type: none"> Ensure data is updated with information from flagged providers.

Limitations and Considerations

Time studies were designed to capture the amount of direct service time staff dedicated to HCBS waiver activities. These results are based on staff self-reporting time spent and their supervisor's review and approval, except for Tool #5 where an administrative assistant or billing clerk filled out the time study on behalf of the direct service staff. Though PCG reviewed a sample of the time studies submitted for accuracy, completeness, and reasonableness, there still may be discrepancies in data. Since supporting documentation was not submitted with time studies, PCG is not able to independently verify the data submitted.

In addition, time study participants received instructions to complete multiple time study tools if they provided services captured on more than one tool. For example, if a time study participant provided Case Management and Nursing services in the same 14-day time study period, they were instructed to complete two different tools (Tool #1 and Tool #2) since these services were captured on separate tools. This limited our ability to determine the number of unique time study participants and subcontractors because there was some overlap. Some time study participants did not enter their name or provider agency, which also limited our ability to determine the total number of providers that participated in the time study. Lastly, some time study participants indicated a billable and unbillable activity for the same time interval when they were instructed to only mark one or the other. PCG created an algorithm to exclude duplicative data where a billable and unbillable activity were identified for the same time period.

Figures presented in this report are rounded to the nearest cent (\$0.01) or second digit. This may result in marginal differences for any calculations redone manually using figures presented in this report.

IV. MARKET SALARY ANALYSIS

Market rate salaries were assessed and used in the rate calculations to help ensure that the rate calculations were reasonable in relation to market realities. Purely cost-based rates may propagate rate deficiencies because existing provider payment structures often dictate the salaries that providers can afford to pay personnel. For example, a provider may lose key personnel because it can only afford to pay HCBS personnel what the existing rate structure will allow. In this example, that provider's cost report and roster may reflect salaries that do not reflect the market. Based on these considerations, PCG thoroughly reviewed market salaries for each discipline in the HCBS program and incorporated the market salaries into the rate methodology described in this document.

The first step in calculating the base rates was to calculate salary per hour. Salary per hour was calculated by:

1. Separating HCBS personnel into personnel disciplines (also called professions or positions)
2. Determining a base salary for each position

For the purposes of this rate study, HCBS personnel are categorized using the disciplines listed in Table IV-A below. This is not a comprehensive list of all disciplines offered through HCBS.

A salary benchmark was identified for each discipline using the May 2018 State Occupational Employment and Wage Estimates Data Published by the Bureau of Labor Statistics (BLS) for the state of New Mexico. PCG presented market salary research for the BLS Southwest Region and an alternative Southwest Region identified through the Family Infant Toddler (FIT) rate study. The State and ACQ Subcommittee decided to use the alternative Southwest Region average salaries from the states of Texas, Arizona, Colorado, and New Mexico. The table below illustrates this Southwest Region and personnel roster salary data collected and analyzed during the rate study. In some instances, we did not receive personnel roster data for certain disciplines. This is indicated as "N/A" in the following table.

Table IV-A: Market Rate and Reported Salaries by Discipline

Discipline	Southwest Region Average Yearly Salary	Provider Reported Average Yearly Salary	Variance \$ from Reported Salaries	Variance % from Reported Salaries
Behavioral Support Consultant	\$72,875.00	\$32,148.92	-\$40,726.08	-56%
Case Manager	\$47,997.50	\$36,039.40	-\$11,958.10	-25%
Certified Nursing Assistant	\$29,850.00	N/A		
Cognitive Rehabilitation Therapist	\$65,322.50	N/A		
Community Inclusion Aide	\$22,957.50	N/A		
Consultant	\$47,997.50	\$41,083.88	-\$6,913.62	-14%
Dietitian (RD/LD)/Nutritionist	\$56,602.50	\$63,407.66	\$6,805.16	12%
Direct Support Staff- Community	\$30,225.00	\$22,399.20	-\$7,825.80	-26%
Direct Support Staff- Employment	\$32,180.00	\$23,816.52	-\$8,363.48	-26%
Direct Support Staff- Residential	\$30,225.00	\$22,613.13	-\$7,611.87	-25%
Health Educator	\$54,813.00	N/A		
Homemaker/In-Home Living Support	\$23,658.75	\$18,550.20	-\$5,108.55	-22%
In-Home Living Support	\$26,941.88	\$27,123.97	\$182.09	1%
Home Health Aide/Certified Medication Aid	\$24,360.00	\$24,603.24	\$243.24	1%
Job Aide	\$22,957.50	N/A		

Job Coach	\$36,791.25	\$23,663.83	-\$13,127.42	-36%
Job Developer	\$36,791.25	\$36,138.97	-\$652.28	-2%
Nurse - Licensed Practical Nurse	\$49,962.50	\$49,152.26	-\$810.24	-2%
Nurse - Registered Nurse	\$73,965.00	\$57,781.57	-\$16,183.43	-22%
Nurse Case Manager	\$82,326.67	\$55,531.74	-\$26,794.93	-33%
Occupational Therapist	\$88,897.50	\$104,474.74	\$15,577.24	18%
Occupational Therapy Assistant	\$62,195.00	\$104,000.00	\$41,805.00	67%
Physical Therapist	\$90,377.50	\$148,500.38	\$58,122.88	64%
Physical Therapy Assistant	\$54,740.00	\$141,839.02	\$87,099.02	159%
Psychiatric Technician	\$33,370.00	N/A		
Psychologist	\$86,522.50	N/A		
Respite Provider	\$27,439.17	\$23,953.32	-\$3,485.84	-13%
Risk Evaluator	\$80,606.25	N/A		
Social Worker	\$60,807.50	\$60,391.67	-\$415.83	-1%
Speech Therapist/SLP	\$79,072.50	\$75,010.62	-\$4,061.88	-5%

Some of the HCBS disciplines did not match directly to job titles in the BLS data. For these disciplines, the stakeholder group helped determine the most appropriate job title from the BLS data to use as a proxy. In certain instances, one job title did not directly meet the discipline, so a combination of BLS job titles was used by taking the average of all BLS positions contributing to an HCBS discipline. A summary of the BLS salaries used for each HCBS discipline is outlined in Appendix A.

V. TIME STUDY ANALYSIS

Overall Results

NM DDSD service standards outlines which activities are considered billable. In most cases, billable time is face-to-face contact with the recipient of a service. The reimbursement rate must consider other activities that are integral to service delivery but do not occur face-to-face, such as travel and report writing. The time study grouped activities as either billable or unbillable, which is shown below. In some instances, certain activities such as report writing were considered billable if the service standards included it as a reimbursable activity under one of the three waivers. Some of the billable services were broken down into sub-categories for purposes of data collection. **Table V-G, Table V-H, and Table V-I** show the percentage of time spent on sub-categories within the billable activities.

Table V-A: Services Covered by Time Study Tool

Tool	Services Covered
1	<ol style="list-style-type: none"> 1. Case Management 2. Consultant
2	<ol style="list-style-type: none"> 1. Nursing 2. Therapies 3. Behavioral Support Consultation 4. Nutritional Counseling 5. Preliminary Risk Screening for Inappropriate Sexual Behavior 6. Socialization and Sexuality Education 7. Bundled Nutrition 8. Bundled Nursing
3	<ol style="list-style-type: none"> 1. Customized Community Supports – Group 2. Community Integrated Employment – Group 3. Respite - Group
4	<ol style="list-style-type: none"> 1. Community Integrated Employment- Individual 2. Customized Community Supports- Individual 3. Community Inclusion Aide 4. Crisis Support
5	<ol style="list-style-type: none"> 1. Family Living 2. In-Home Supports 3. Intensive Medical 4. Supported Living 5. Respite

All Unbillable Services

Note: this is a comprehensive list of all unbillable services. After receiving stakeholder feedback, only relevant unbillable services were listed on each tool

- **Report Writing/Progress Notes:** Time spent writing a report.
- **Missed Appointment- Individual Receiving Services:** Time associated working on an activity for an individual that did not appear, making the activity unbillable. This occurs when the no-show is because the individual did not make the appointment (e.g., the family canceled the session).
- **Missed Appointment- Staff:** Time associated working on an activity for an individual that did not appear, making the activity unbillable. This occurs when the reason for the no-show is staff related (e.g., staff canceled).
- **Delayed Appointment:** Time associated with waiting for an appointment to begin.
- **Training:** Time either delivering or participating in a training.
- **Supervision Related Activities:** Time associated with supervising staff.
- **Preparation Activities:** Time spent preparing to deliver a service.
- **Travel:** Time spent traveling for work-related activities. This may include any overnights that you do.
- **Case Conference/Clinical Consultation:** Time spent discussing an individual or consulting with other staff.
- **Other Administrative Activities (Other Admin. Activities):** Any other activity that does not fall into another category. This also includes paid time off.

The tables below show the percent of billable time associated with each HCBS discipline used to estimate the billable percentage for provider agencies. The time study captured an overall billable percentage of 81%.

Table V-B: Tool #1 Billable Percentage by Discipline

Discipline	Billable Hours	Total Units	Billable %
Case Manager	3,071	4,555	67%
Consultant	740.5	1,968.5	38%
Home Health Aide	103.75	103.75	100%
Nurse Case Manager	261.25	646.75	40%
Total	4,176.5	7,274	57%

*All service providers were invited to participate in the rate study but not every provider participated. The disciplines above represent the personnel who participated in the time study

Table V-C: Tool #2 Billable Percentage by Discipline

Discipline	Billable Hours	Total Units	Billable %
Behavioral Support Consultant	784	1,440	54%
Dietitian (RD/LD)/Nutritionist	0.25	92	0%
Home Health Aide	293.25	322.25	91%
Nurse (LPN)	195	449	43%
Nurse (RN)	1,387.75	2,871.5	48%
Occupational Therapist	239.75	525.75	46%
Occupational Therapy Assistant	92	123.5	74%
Physical Therapist	148.25	284	52%
Physical Therapy Assistant	54.25	90.25	60%
Speech Therapist/SLP	945	1750.5	54%
Total	4,139.5	7,948.75	52%

Table V-D: Tool #3 Billable Percentage by Discipline

Discipline	Billable Hours	Total Units	Billable %
Direct Support Staff-Community / Residential	4,498.5	6,991.75	64%
Direct Support Staff-Employment	1,368	2,007	68%
Job Coach	7	7	100%
Total	5,873.5	9,005.75	65%

Table V-E: Tool #4 Billable Percentage by Discipline

Discipline	Billable Hours	Total Units	Billable %
Direct Support Staff-Community / Residential	5,246.5	7,416.25	71%
Direct Support Staff-Employment	43	48.5	89%
Homemaker/In-Home Living Support	19.5	28.25	69%
Job Coach	644.25	1,257.5	51%
Job Developer	78.75	139.75	56%
Total	6,032	8,890.25	68%

Table V-F: Tool #5 Billable Percentage by Discipline²

Discipline	Billable Hours	Total Units	Billable %
Direct Support Staff-Community / Residential	84,392	101,084	83%
Direct Support Staff-Employment	284	1,041	27%
Homemaker/In-Home Living Support	32,958	35,849	92%
Respite Provider	502	563	89%
Total	118,136	138,537	85%

* All service providers were invited to participate in the rate study but not every provider participated. The activities above were offered, however, activities with zero units were not selected during the study and were not included in the analysis.

² PCG developed an algorithm to adjust for duplicate time entries for Tool # 5. In addition to the algorithm, certain disciplines were combined when recommending rates for specific services. The billable percentages ultimately calculated to 90%.

Table V-G: Developmental Disabilities Waiver Case Management Sub-Activities

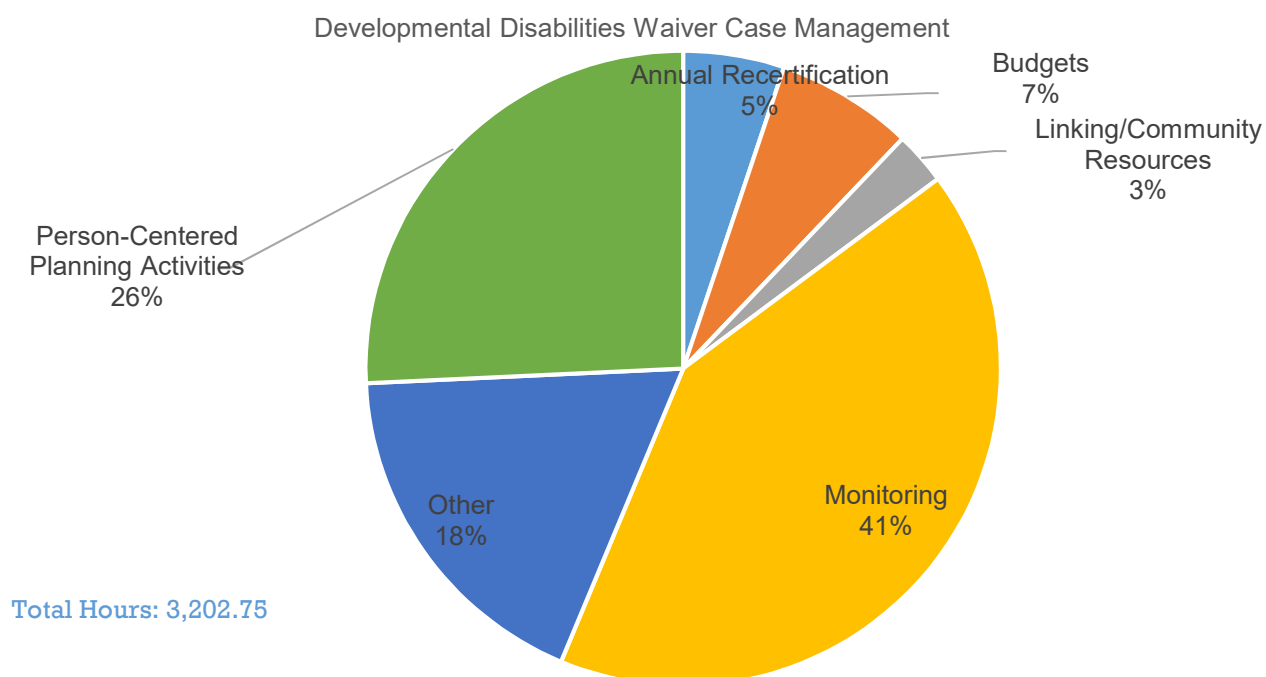


Table V-H: Medically Fragile Waiver Case Management Sub-Activities

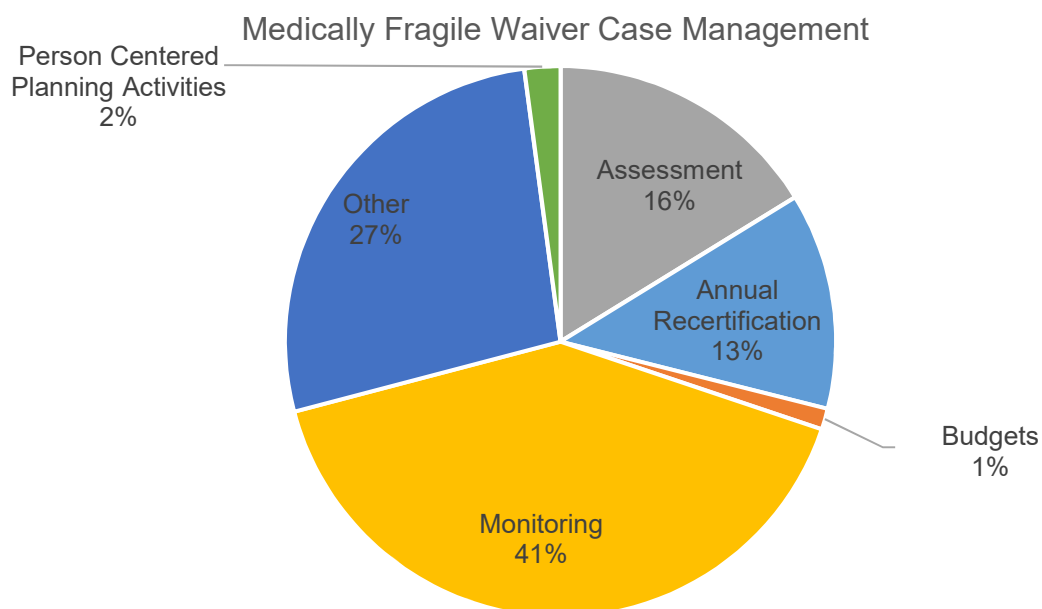
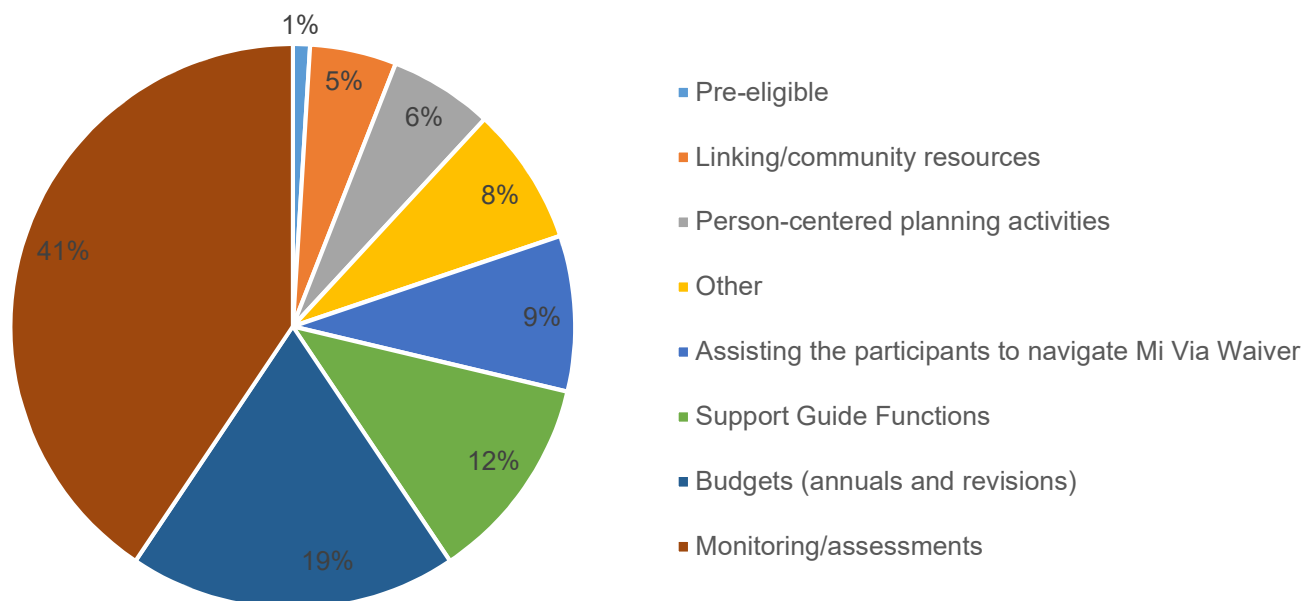


Table V-I: Mi Via Waiver Consultant Services Sub-Activities**Table V-J: Unbillable Activity**

Tool Summary		Unbillable Activity									
Tool #	Total % Unbillable Activity	Report Writing/ Progress Notes	Missed Appt- Individual Receiving Services	Missed Appt - Staff	Delayed Appt	Training	Supervision Related Activities	Preparation Activities	Travel	Case Conference/ Clinical Consultation	Other Admin Activities
1	48%	31%	0%	0%	0%	11%	5%	9%	22%	0%	25%
2	52%	20%	1%	0%	0%	6%	3%	12%	24%	8%	32%
3	38%	20%	4%	10%	0%	11%	5%	10%	11%	0%	29%
4	35%	17%	9%	9%	0%	13%	9%	12%	12%	0%	21%
5	15%	36%	0%	0%	0%	8%	10%	4%	15%	0%	18%
Total	20%	25%	3%	4%	0%	10%	6%	10%	17%	2%	25%

Note: the unbillable activities are percentages of the total % of unbillable activity, not the % of total time.

VI. COST REPORT & PERSONNEL ROSTER ANALYSIS

In order to effectively capture both personnel costs and revenues and expenses for HCBS providers, PCG distributed two separate workbooks to New Mexico's provider population: a program cost report and a detailed personnel roster. The cost report was requested to be completed for Fiscal Year Ending 2018 (July 1, 2016 to June 30, 2017), while the personnel roster was for active employees or subcontractors working in the program at the time of the rate study. Some providers completed cost reports for the 2017 calendar year if they operated on calendar instead of fiscal year. As part of the verification process, PCG reviewed provider-supplied supporting documentation submitted with these workbooks to validate the data and determine if it could be included in the analysis. Though PCG reviewed each of the cost reports and personnel rosters submitted for accuracy, completeness, and reasonableness, there still may be discrepancies in data since supporting documentation was not always available. The following table provides an overview of the elements captured in both workbooks:

Table VI-A: Data Elements Captured by Cost Report and Personnel Roster

Cost Report*	Personnel Roster
<ul style="list-style-type: none"> Provider name, tax status and contact general information Program revenue from Medicaid, HCBS waivers, the state, and other sources Aggregate average paid time off allocated for all staff Total salaries, taxes, and fringe benefits paid for program staff Comprehensive expenses other than personnel, e.g. mileage, insurance, facilities, other taxes, etc. An attestation from the provider claiming that the results provided were complete and accurate 	<ul style="list-style-type: none"> Provider name and tax status Names, title, profession, and employee/subcontractor status of all personnel Total hours worked by staff annually and the percentage of that time dedicated to the HCBS program Total annual salary and fringe benefits paid for each staff member Administrative staff data reflecting the above

*Note that the cost report requested both *total* program information in all activities they may conduct as well as *specific* information regarding their HCBS program activities. Many providers were not able to provide provider totals for revenue, so our analysis focused on HCBS revenue and expenses.

Personnel Analysis

PCG assessed personnel expenses for both employees and subcontractors participating in HCBS services. Due to the variance of total hours worked throughout the year and salaries reported, each provider's annualized salary was normalized into an hourly rate to allow for better comparison. After comparing the reported personnel salaries to the market salary research, PCG, DDSD, and the subcommittee decided to use the market salary research as the base of the rates because it better reflected the market for specific disciplines. We only used personnel roster rates for subcontractors which varied across disciplines.

Revenue and Expense Analysis

Using aggregated cost report data, PCG analyzed revenues and expenses to identify possible data errors and to better understand the financial health of providers. We received cost reports from provider agencies of all sizes, as indicated by **Table VI-B**. Of the 50 providers who were included in cost report analysis, 17 providers operate at a deficit for HCBS waiver services, with 3 of the 17 reflecting a loss of less than .01%. **Table VI-C** shows the number of providers by IRS tax status that operate with a deficit based on HCBS revenue and expenses.

Table VI-B: Cost Report Submissions by HCBS Revenue

Total HCBS Revenue	Total Cost Report Submissions
\$0 - \$500,000	16
\$500,000 - \$1 million	10
\$1 million - \$5 million	14
\$5 million and up	10

Table VI- C: HCBS Revenue and Expenses by IRS Tax Status

Provider IRS Tax Status	n	Total HCBS Revenue	Total HCBS Expenses	Surplus (Deficit) \$	Surplus (Deficit) %
For-Profit	35	\$81,880,318.35	\$81,549,865.99	\$330,452.36	0%
> \$1,000,000	13	\$72,881,981.35	\$72,706,535.69	\$175,445.66	0%
< \$1,000,000	22	\$8,998,337.00	\$8,843,330.30	\$155,006.70	2%
Government	2	\$1,222,803.97	\$1,222,803.98	(\$0.01)	0%
Nonprofit	13	\$60,925,145.72	\$65,816,221.21	(\$4,891,075.49)	(7)%
> \$1,000,000	11	\$59,889,800.72	\$63,934,441.18	(\$4,044,640.46)	(6)%
< \$1,000,000	2	\$1,035,345.00	\$1,881,780.03	(\$846,435.03)	(45)%

Table VI-D: Cost Report Findings

Line Item	HCBS Provider Total	% of HCBS Expenditures
Translation/Interpretation/Accommodation Services	\$ 208,513.76	0%
Training	\$ 208,840.70	0%
Travel	\$ 377,846.20	0%
Equipment	\$ 748,984.35	1%
Mileage	\$ 917,046.28	1%
Liability Insurance	\$ 1,206,205.77	1%
Transportation	\$ 1,302,161.32	1%
Supplies	\$ 1,408,186.15	1%
Depreciation	\$ 1,696,351.99	1%
Gross Receipts Tax	\$ 3,961,174.84	3%
Indirect (from Parent Organization)	\$ 4,084,259.11	3%
Occupancy/Facility	\$ 4,250,935.40	3%
Other Operating Expenses	\$ 6,666,912.12	4%
Total Fringe Benefits	\$ 12,601,750.68	8%
Administrative Salaries	\$ 15,631,199.86	11%
HCBS Subcontractor	\$ 31,737,122.15	21%
Direct Service Salaries	\$ 61,581,399.80	41%

VII. PEER STATE RESEARCH

PCG conducted peer state research for all HCBS 1915(c) waivers and one Community First Choice 1915(k) plan for eight states and included six specific services.

In all, 24 waiver applications were reviewed. Five western states with geographic characteristics similar to New Mexico were considered: Colorado, North Dakota, South Dakota, Utah and Wyoming. These states operate HCBS waivers with similar services, have few urban areas, some mid-sized towns and are comprised primarily of rural and frontier regions. DDSD requested the other three states, Oregon, Tennessee and Washington, because they have been nationally recognized for their systems providing support for people with intellectual and developmental disabilities (IDD). Oregon provides services through a 1915(k) state plan option and the 1915(c) waivers, while Tennessee and Washington operate 1915(c) waivers.

When comparing peer states, it is important to keep in mind that states differ in the way they have organized their delivery systems. Some combine all services for people with IDD, regardless of age, into one waiver. North Dakota, for example, has one HCBS waiver for all people with IDD starting at age 0 with no upper age limit. On the other hand, Wyoming has a waiver for children with IDD, ages 0-20 and another for all people with IDD from age 0 with no upper limit. The second waiver also includes people with brain injury starting at age 21 with no upper age limit. Some states make a distinction between children who are medically fragile and those who are medically fragile with IDD, while others include all children who are medically fragile in one waiver. Another difference is that some states have a separate waiver for self-direction and others include self-direction within one or all their waivers.

States also differ in the way that services are defined within their HCBS waivers. For example, some include assistive technology, specialized medical equipment and supplies and personal support technology as one service, while others consider them separately. States manage expenditures for these services differently. Some states have established an annual limit on each service or a limit per waiver period (5 years). Some have limits on individual services with an overall limit on a set of services. Some states have no limits.

Ultimately, a state can manage their expenditures while also providing flexibility for people receiving services by the way they define services, identify limits and exceptions, establish provider qualifications, set dollar limits for expenditures, set time limits within which funds are spent and conduct an exception process.

The following tables provide information from each state for the specified services. This information provides a general idea of the way each state has approached managing expenditures for these services.

Services Reviewed

- Assistive Technology
- Personal Support Technology
- Specialized Medical Equipment and Supplies
- Environmental Modifications
- Independent Living Transitions
- Non-Medical Transportation

Peer States

- Colorado
- North Dakota
- South Dakota
- Utah
- Wyoming
- Oregon
- Tennessee
- Washington

Assistive Technology (AT), Specialized Medical Equipment & Supplied (SME&S), Personal Support Technology (PST)

New Mexico	Defines services separately <ul style="list-style-type: none"> • AT– Limited to \$250 per plan year. No more than \$20 per year for batteries • SME – No limits listed in waiver document • PST – Up to \$5 ,000 per year for installation, rental, and/or maintenance
Colorado	Defines services separately <ul style="list-style-type: none"> • Limited to \$10,000 per waiver period for AT • Home accessibility adaptations and vehicle modifications combined
North Dakota	Combines all three services in one definition <ul style="list-style-type: none"> • Limited to \$20,000 per waiver period.
Tennessee	Combines AT and SME&S, defines PST separately <ul style="list-style-type: none"> • Limited a maximum of \$10,000 per service recipient per 2 waiver years • Total annual cap of \$30,000 for Supports for Community Living Service (SCLS) and Professional and Technical Support (PTS). • PTS includes therapies, behavioral services, nursing, SME&S, dental, nutrition and PERS. • Annual Limits: \$23, 000 for SCLS and \$7,000 for PTS.
Wyoming	Combines AT and SME&E, defines PST (PERS) separately <ul style="list-style-type: none"> • Specialized equipment is limited to \$2,000 per year • Purchase of electronic technology devices limited to once every 5 years

Note: *South Dakota, Utah, and Washington – No limits listed in waiver documents.*
Oregon(K-Plan) –No limits indicated.

Environmental Modifications

New Mexico	Limited to \$5,000 every five (5) year
Colorado	Limited to \$10,000 per waiver period for AT, home accessibility adaptations and vehicle modifications combined
North Dakota	Limited to \$20,000 per waiver period
Oregon	Limited to \$5,000 per modification (K-Plan) No limits in waiver.
Tennessee	Limited to a maximum of \$15,000 per person per 3 consecutive waiver program years
Washington	Limited to \$12,192.00 per plan year
Wyoming	Lifetime cap of \$20,000 per family

Note: *South Dakota, Utah – No limits listed in waiver documents*

Independent Living Transitions

New Mexico	Up to \$1,500 per participant, one-time only
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Colorado	Up to \$1,500 per participant, with exceptions limited to \$2,000 total
Tennessee	No service listed in waiver document except in Environmental Accessibility Modifications up to 180 days prior to transition from an institution to the community
Washington	Expenditures above \$1,500 for community transition are allowed only by exception

Note: Utah – No limits listed

North Dakota, South Dakota, Wyoming - No service listed in waiver document.

Oregon (K Plan) and waiver document, No service indicated.

Non-Medical Transportation Services

New Mexico	<ul style="list-style-type: none"> Billable per mile at \$.41 per mile, with a maximum of \$750, or billable per dollar for pass/ticket, at actual cost plus up to 10% administrative fee, with a maximum of \$460 per year
Colorado	<ul style="list-style-type: none"> Limited to 508 units (round trip) per year (approximately 42 units per month). Transportation in addition to Day Habilitation and Supported Employment is limited to 4 trips per week reimbursed at transportation band one. Reimbursed at a tiered, fee-for-service rate that varies based upon the trip distance (PUC mileage band). Bus pass or public conveyance only when equivalent to or more cost effective than the applicable mileage range.
Oregon (K Plan)	<ul style="list-style-type: none"> No limit listed. Contract rates for transportation brokerages are individually negotiated with the provider ((State Plan Community Transportation Providers). Rates are based on a cost allocation model supplied by each transportation brokerage.
Tennessee	<ul style="list-style-type: none"> Limited to 31 days/month maximum. Includes a per trip rate for habilitation in the community and a daily rate that provides for transportation to and from organized day-supports or supported employment activities.

North Dakota – No service. Removed from waiver in January 2017

South Dakota – No service listed in waiver document

New Mexico	<ul style="list-style-type: none"> Billable per mile at \$.41 per mile, with a maximum of \$750, or billable per dollar for pass/ticket, at actual cost plus up to 10% administrative fee, with a maximum of \$460 per year
Utah	<ul style="list-style-type: none"> No limit listed. Includes enrollee/family arranged transportation, transportation by an agency-based provider, and a multi-pass for a public transit system. The rate is fixed and predetermined via Comparative Analysis
Washington	<ul style="list-style-type: none"> Limited to travel to and from a waiver service. Excludes bus passes. Reimburses provider mileage. Mileage rates are based upon the rates provided to personal care providers which are standardized via negotiations (every 2 years) with the Service employees International Union (SEIU) and funding from the legislature. The rate for transportation is changed based on significant increases in the cost of vehicle maintenance & repair costs & the cost of fuel.
Wyoming	<ul style="list-style-type: none"> Limited to \$2,000 per year.

	<ul style="list-style-type: none">• The rate methodology combines direct and indirect cost components, with an add-on payment for mileage at the Federal per-mile business rate of \$0.535/mile. This rate is a tiered per-event rate that includes staff time and a per-mile cost based on the Federal per-mile business rate.• The tiers reflect the varying distances providers may need to travel.• Tier 1 is based on 5 miles and Tier 2 is based on 10 miles
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VIII. ELECTRONIC VISIT VERIFICATION (EVV) CONSIDERATIONS

The Electronic Visit Verification (EVV) system is an electronic scheduling, tracking, reporting and billing system for in-home care providers. EVV is required by the federal 21st Century Cures Act, Section 12006, which states “Electronic visit verification ... (is) required for personal care services and home health care services under Medicaid”. The Centers for Medicare and Medicaid Services requires states to have an EVV system in place for Medicaid Personal Care services by January 1, 2020 and for all other Medicaid Home Healthcare services by January 1, 2023. The EVV system verifies six factors for in-home and in-community services: type of service performed, individual receiving the service, individual providing the services, date of the service, location of service delivery, the services and time the service begins and ends.

Provider costs associated with implementing new EVV requirements can be assigned to two categories: one-time implementation costs and on-going maintenance costs. One-time implementation costs include the time for selected employees of each provider agency to attend train-the-trainer sessions with the state (or vendor); scheduling and conducting the training for provider agency staff and direct service caregivers, assessing available technology resources (laptops, iPads, cell phones and internet access); providing access to electronic equipment and the internet (through purchase or reimbursement for employee owned equipment and internet service); testing or monitoring to determine that initial training and equipment are adequate to effectively implement EVV; and, making any needed corrections or adjustments to initial training and practice. Medicaid does not compensate the state for these costs to providers and therefore, states generally do not compensate providers for this cost of doing business.

Providers may have other expenses associated with implementation. A provider's business may be organized around a specific technology solution that does not integrate well with the state's system or may operate in multiple states that have different state mandated systems. A provider may have a payroll, scheduling, or claims system that does not interface with a state's mandated system. These providers must build a bridge between systems or double enter data, so they have comprehensive information for their own business operations. Generally, these expenses are also considered the cost of doing business and are not compensated by the state.

Ongoing maintenance for the EVV system is the secondary and largest expense over time. These expenses include costs for training, monitoring, supervision, and program management. More specifically, expenses include training new direct service employees (often in high turnover environments), ancillary equipment and services that might be required (phones and data plans), equipment maintenance, integration with payroll and billing operations, and training new administrative staff and those who handle day-to-day issues with the EVV system use. Training costs for new employees includes initial training and enhanced training for people not accustomed to using technology. All employees will need periodic training updates, and some may need re-training. These on-going costs can be captured in the regular rate setting process when rates are updated. When incorporated into the rates, providers are reimbursed for the cost of EVV ongoing operations.

Adequate cost determination considers any savings (offsets) realized through improved practices inherent in the use of EVV. AuthentiCare³, for example, identifies the following benefits:

- Centralized, real-time monitoring and comprehensive reporting on services provided and patient conditions for service level transparency
- Ability to adjust care plans to improve care & promote better patient outcomes
- Use of EVV data to identify delivery issues and make care delivery more efficient

³ AuthentiCare is the EVV solution chosen by New Mexico Centennial Care Managed Care Organizations for personal care services, including consumer directed personal care and associated administrative fees. McKay, Grant and Asad Salahuddin. “AuthentiCare® Electronic Visit Verification.” First Data Government Solutions, April 26, 2019. https://www.firstdata.com/en_us/products/government-solutions/health-care/electronic-visit-verification/authenticare.html

- Freeing up home care providers from time-consuming, error-prone paper processes
- Helping (to) comply with the record keeping requirements of the Fair Labor Standards Act
- Improving program integrity and higher quality of services
- Driving operational efficiencies
- Improving risk management and fraud protection
- Flexible, scalable, secure, HIPAA compliant automated claims ⁴

DDSD should also consider the EVV system for Centennial Care to assure consistency across existing operations. Working closely with the Medical Assistance Division to align practices will support a smoother implementation for provider agencies and help with timely compliance with the federal requirements for an EVV system.

⁴ For consumer directed services, fiscal management services agency employees generally complete a train-the-trainer training and then train members or their authorized representatives on the use of the EVV system, depending on how the state has set up EVV for consumer direction.

IX. RATE CALCULATIONS

Using the data from the market salary analysis, cost report, time study, and personnel rosters, PCG calculated recommended payment rates for the following services under the Developmental Disabilities Waiver:

- Physical Therapy
- Physical Therapy Assistant
- Occupational Therapy
- Occupational Therapy Assistant
- Speech-Language Pathologist
- Behavior Support Consultation
- Case Management (On-going)
- Respite
- Respite (Group)
- Adult Nursing Services – RN
- Adult Nursing Services – LPN
- Nutritional Counseling
- Customized Community Services
 - Individual
 - Group – Category 1
 - Group – Category 2
 - Group – Small Group
 - Community Inclusion Aide
- Customized In-Home Supports
 - Living with Family or Natural Supports
 - Living Independently
- Preliminary Risk Screening and Consultation for Inappropriate Sexual Behavior
- CIE
 - Job Maintenance
 - Group (Cat 1)
 - Group (Cat 2)
 - Self-employment
 - Job Aide
 - Intensive
- Crisis Supports
 - Alternative Residence
 - Individual's Residence
- Family Living
- Supported Living
 - Cat 1 (Basic)
 - Cat 2 (Moderate)
 - Cat 3 (Extensive)
 - Cat 4 (Extraordinary)
- Intensive Medical Living Supports

Using the data from the market salary analysis, cost report, time study, and personnel rosters, PCG calculated recommended payment rates for the following services under the Medically Fragile Waiver:

- Behavior Support Consultation
- Case Management Assessment
- Home Health Aide
- Home Health Aide – Respite
- Nutritional Counseling
- Private Duty Nursing – RN
- Private Duty Nursing – RN (Respite)
- Private Duty Nursing – LPN
- Private Duty Nursing – LPN (Respite)
- Out of Home Respite
- Speech Therapy
- Physical Therapy
- Occupational Therapy
- Case Management (On-going)

Using the data from the market salary analysis, cost report, time study, and personnel rosters, PCG calculated recommended payment rates for the following services under the Mi Via Waiver:

- Consultant Services
- In-Home Living Supports

All rates were calculated using a similar methodology with different inputs, except for therapies and behavioral support consultation which used Consumer Price Index assumptions for inflation. The methodology for calculating each rate is described in the following sections. Please see Appendix B, C, and D for all rate calculation tables.

Rate Methodology

The calculations are designed to capture all the expenses involved in service delivery. The average hourly employee expense for an average service delivery professional (ex. Nutritional Counselor/Registered Dietician) is calculated first. Tax and fringe benefits were then added to the average salary. Personnel roster data was used to adjust the salary by the proportion of employees. An average service professional subcontractor rate was then added proportionally to the employee salary and benefits sum. From there other administrative and program support expenses (except mileage) were added based on a negotiated decision by DDSD. A billable percentage was then factored into the calculations to account for nonbillable time and expenses associated with service delivery. Mileage was then added based on travel time assumptions. Table IX-A below shows the inputs of the methodology.

Table IX-A: Methodological Inputs- Nutritional Counseling (Example)

Line Item	Nutritional Counseling	
	\$	%
Salary/Hour	\$27.21	
Benefits/Hour	\$6.19	22.76%
Employee Salary Plus Benefits	\$33.41	67%
Contractor Cost/Hour	\$72.33	33%
Portion for Employee Costs	\$22.27	
Portion for Contractor Costs	\$24.11	
Personnel Costs	\$46.38	
Admin & Support Costs	\$19.88	30%
Total Costs/Hour	\$66.26	
Total Costs/Hour with Billable Factor	\$82.82	80.00%
Mileage	\$1.56	
Calculated Hourly Total	\$84.38	
Calculated 15 min Rate	\$21.10	

The following steps calculate the Home and Community Based Services rates:

- Calculate Hourly Personnel Costs (Steps 1-7)
- Calculate Hourly Administrative Costs (Step 8)
- Markup Rate to Account for Non-Billable Time in Billable Unit (Step 9)
- Calculate Mileage (Step 10)
- Add Mileage to Hourly Rate (Step 11)
- Calculate HCBS Rates (Step 12)

Table IX-B below illustrates the calculations. A narrative explanation for each step is then presented after the grid.

Table IX-B: Home and Community Based Services Calculation – Nutritional Counseling

Step	Line Item	Rate Calculation Modifier	Rate Calculation Details	Rate
1	Salary/Hour	N/A	Hourly salary for employees based on BLS research.	\$27.21
2	Fringe/Hour	22.76%	Apply fringe rate based on cost report. • $\$27.21 \times 0.2276 = \6.19	\$6.19

Step	Line Item	Rate Calculation Modifier	Rate Calculation Details	Rate
3	Employee Salary Plus Benefits	N/A	Add salary to fringe from steps 1 and 2. • $\$27.21 + \$6.19 = \$33.41$	\$33.41
4	Contractor Cost/Hour	N/A	Average hourly rate for contractors based on reported roster salaries.	\$72.33
5	Portion for Employee Costs	66.67%	Calculate portion of personnel costs attributed to employees based on steps 1-3 and cost report. • $\$33.41 * .667 = \22.27	\$22.27
6	Portion for Contractor Costs	33.33%	Calculate portion of personnel costs attributed to contractors based on step 4 and cost report. • $\$72.33 * .333 = \24.11	\$24.11
7	Personnel Costs		Add steps 5 and 6 for hourly personnel costs. • $\$22.27 + \$24.11 = \$46.38$	\$46.38
8	Administrative + Program Support Costs (Less Mileage)	30%	Calculate non-personnel factor based on cost report. • $(\$46.38 / (1 - 0.3)) - \$46.38 = \$19.88$	\$19.88
9	Total Costs/Hour with Billable Factor	80.00%	Divide the hourly rate by the billable factor. • $\$46.38 + \$19.88 = \$66.26$ • $\$57.36 / 0.80 = \82.82 •	\$82.82
10	Mileage	Mileage Calculations	Include mileage (if applicable) • \$1.56	
11	Calculated Total with Mileage	N/A	Add mileage • $\$82.82 + \$1.56 = \$84.38$	\$ 84.38
12	Calculated Individual Rate		Convert to 15-minute rate (rounded). • $\$84.38 / 4 = \21.10	\$21.10

Steps 1- 7: Calculate Hourly Personnel Costs

The rate development steps first calculate an average hourly personnel cost that accounts for service delivery from both employees and subcontractors. Step 1 shows that the average employee salary was \$27.21 based on the market rates described earlier. Step 2 then applies a fringe rate to the employee payrate based on the average fringe rate of 22.76 percent as determined by DDSD. Step 3 then adds the \$27.21 and \$6.19 figures to arrive at employee salary plus benefits rate of \$33.41. Step 4 presents the average subcontractor payrate of \$72.33 that was reported on the rosters. The rosters were used to weight the subcontractor salaries based on the total proportion of subcontractors to each profession for rates that include more than one discipline. Steps 5 and 6 then distribute the employee and subcontractor payrates proportionally based on the personnel roster distribution of employees and subcontractors. In our example, of all registered dietitians reported on rosters, 66.67 percent were employees while the remaining 33.33 percent were subcontractors. In applying these percentages to each hourly cost, you arrive at \$22.27 and \$24.11 for employee and subcontractor costs, respectively. Adding these figures together represents the total hourly personnel cost displayed in Step 7.

Step 8: Calculate Hourly Administrative Costs

The 30 percent figure in Step 8 represents all the administrative and program support expenses incurred by providers. This figure comes from the cost report and includes all administrative salaries and operating expenses other than mileage (28.1%), with an additional 1.9% increase determined by DDSD based on subcommittee feedback. It does not include direct service salaries, personnel taxes and fringe benefits, and subcontractor expenses. The total cost per hour should then equal \$66.26 because the personnel total is \$46.38 per hour with the 30 percent for administrative costs included (\$19.88).

Step 9: Markup Rate to Account for Non-Billable Time in Billable Unit

This step ensures that providers are compensated for necessary administrative time that is not included in the billable unit. A billable percentage of 80 percent was applied to the nutritional counseling rate. This 80% was taken as a sum percentage on all time studies. Most services utilize a discipline specific billable percentage. This means that the combined hourly rate of \$57.36 represents 80 percent of the rate making the offsite total rate \$82.82.

Step 10: Calculate Mileage

Mileage was the only expense not included in the previous steps because it is utilizing the State's current mileage reimbursement rate of \$0.44 per mile. Time study participants conducting home/community activities reported 10.1 percent. Direct Support Staff-Residential were excluded from the travel time percentage as the 24-hour service skewed overall data significantly. This means that on average, home/community personnel spend 6.06 minutes in the average hour traveling, at 35 miles per hour. With a New Mexico reimbursement rate for mileage of \$0.44 cents the cost per hour of \$1.56 for the service is calculated. Table VII-D below illustrates how these calculations formulate the mileage cost per hour. Separate mileage rates for each discipline were not calculated as many professions had small sample sizes during the time study.

Table IX-C: Mileage Cost Per Hour Calculations

Mileage Calculations		Element Type
Average Travel Time from the Time Survey	6.06	Minutes/Hour
Percentage of Hour	10.1%	Percent
Average MPH	35	MPH
Miles Traveled	3.535	Miles
Reimbursement Rate	\$0.44	Rate
Cost Per Hour	\$1.56	Mileage Cost per Hour

Step 11: Add Mileage to Hourly Rate

The hourly mileage costs calculated in Step 10 are added to the hourly rates from Step 9 to arrive at the calculated total rate per hour. The rate increases from \$82.82 to \$84.38 with \$1.56 in mileage costs added.

Steps 12 -13: Calculate Base Rates

The hourly rates must then be converted to the appropriate time-based billable units. For Nutritional Counseling, this is done by dividing each rate by four, resulting in a \$21.10 unit rate.

Rate Methodology Variations

Some services required unique sub-steps or inputs to create a valid rate build-up. Each deviation from the above rate build up methodology is outlined below:

All Services

Due to new legislation as well as feedback from the provider community, a decision was made to exceed the minimum wage which would be over \$12.00 an hour by 2023, instead using a base of \$15.00 per hour. This logic was built into step 1 of the rate build-up where an hourly wage was checked against this threshold and would use \$15.00 if the hourly wage from the market salary was below \$15.00 an hour.

Physical Therapy, Occupational Therapy, Speech-Language Pathology

For all therapies, a decision was made in conjunction with DDSD to carry forward the current therapies rate structure from the Developmental Disabilities Waiver, whereby a single therapies rate is set for all Physical Therapy, Occupational Therapy, and Speech-Language Pathology services. The rate carry-forward was based on a 5-year CPI-U Western Region composite average utilizing April-2014-April-2019 data, which was the most recently available at the time of calculation. This composite average was 2.37%. The rate was projected to 2024, which resulted in an overall rate increase of 12.43% in both the current Standard and Incentive rates. These rates were utilized in setting new Physical Therapy, Occupational Therapy, and Speech Therapy rates under the Medically Fragile Waiver to bring all service rates to a comparable structure.

Physical Therapy Assistant, Occupational Therapy Assistant

For all therapy assistants, a decision was made in conjunction with DDSD to carry forward the current therapy assistant rate structure from the Developmental Disabilities Waiver, whereby a single therapies rate is set for all Physical Therapy Assistants and Occupational Therapy Assistant rates. The rate carry-forward was based on a 5-year CPI-U Western Region composite average utilizing April-2014-April-2019 data, which was the most recently available at the time of calculation. This composite average was 2.37%. The rate was projected to 2024, which resulted in an overall rate increase of 12.43% in both the current Standard and Incentive rates.

Behavior Support Consultant (BSC)

For Behavior Support Consultants, a decision was made in conjunction with DDSD to carry forward the current BSC rate structure from the Developmental Disabilities Waiver. The rate carry-forward was based on a 5-year CPI-U Western Region composite average utilizing April-2014-April-2019 data, which was the most recently available at the time of calculation. This composite average was 2.37%. The rate was projected to 2024, which resulted in an overall rate increase of 12.43% in both the current Standard and Incentive rates. These rates were used in setting BSC rates for the Medically Fragile Waiver.

Case Management / Nurse Case Management

For Case Management and Nurse Case Management, a coefficient of Hours per Client per Month was needed to project an hourly rate build-up to a monthly rate. A total of 5.778 hours was used and was derived from the following calculation. $[(\text{Annual Hours Worked} \div \text{Months}) \div \text{Avg. Caseload Size}]$ or $[(2,080 \div 12) \div 30]$.

Customized Community Supports – Group Category 1 and Group Category 2

Customized Community Supports group services include an additional step to bundle nursing services as required in the waiver service standards. An average of 12 hours of nursing service per client per year was utilized for Category 1 and 36 hours for Category 2. Previous utilization data estimated an average of 3,022.67 units per client per year for Category 1 and 2,606.96 for Category 2. The bundled component was calculated using the following formula: $[(RN \text{ Nursing Hourly Rate} \times \text{Hours}) \div (\text{Units/Expected Group Size})]$

Consultant Services (Mi Via Waiver)

For Consultant Services under the Mi Via Waiver, a coefficient of Hours per Client per Month was needed to project an hourly rate build-up to a monthly rate. A decision was made in conjunction with DDSD to use 4 hours per client per month for this service.

Preliminary Risk Screening for Inappropriate Sexual Behavior

Standard rate calculated according to methodology with an increase of 28.1% applied to create an Incentive rate. This creates the same proportion as the current fee schedule.

Crisis Supports (Alternative Residential Setting and Individual's Residence)

Psychiatric Technician was later added to the market salary proxy group. As these providers were not captured in the Personnel Roster and create a significant portion of the market salary base, the subcontractor portion was not added. These rates assume 100% employee.

Customized Community Supports – Group Category 1 and Group Category 2

Both services utilized only DSP-Community subcontractor rates as the DSP-Residential subcontractor rates artificially suppressed the rate build up. This varies from the above Customized In-Home Living Supports as that service initially utilized only DSP-Residential, whereas Customized Community Supports utilized only DSP-Community.

Family Living

Based on stakeholder feedback and further understanding of this service, this rate was developed based on 100% subcontractor delivery. Therefore, it does not include an employee-based line item.

Living Supports and IMLS

Based on stakeholder feedback and further understanding of this service, this rate was developed based on 100% employee delivery. Therefore, it does not include a subcontractor-based line item.

Living Supports and IMLS

Living Supports and IMLS services include additional steps to bundle nursing services and nutritional counseling services as required in the waiver service standards. Bundled hours were calculated into the rate by utilizing the service standard requirements and fractioning them into a daily rate. Table IX-D shows the components were used:

Table IX-D: Mileage Cost Per Hour Calculations

Living Supports and IMLS bundled components			
Service	Hourly rate used	Daily hours	Applicable rates
Interdisciplinary Team Meeting Attendance	Registered Nurse	0.0137	ALL
Monthly Assessment	Registered Nurse	0.0333	ALL
Monthly Hours from Service Standards (Max)	Registered Nurse (w/ 50% LPN for IMLS per service standards)	0.1667–1	Category 2-4, IMLS
Registered Nurse Oversight	Registered Nurse	0.046	IMLS

On-Call Nursing	Registered Nurse	Varies ⁵	ALL
Nutritional Counseling	Nutritional Counselor	0.0137	ALL

- **Home Health Aide - Respite**

Due to the mixture of Home Health Aide and Respite Provider proxies, this rate was calculated lower than the main Home Health Aide rate. DDSD has made the decision to match both rates at the main Home Health Aide rate.

Impact Analysis

PCG tested the sensitivity of the rate calculations based on an analysis of payments made between SFY2015 and SFY2018. Due to high volatility in utilization, only the most recent year of complete claims data, SFY2018, was utilized in projecting costs. A multiplied growth rate over 2 years was not utilized as few services showed stable trendlines. It is recommended that growth trends be evaluated once all SFY19 claims data has been captured. In addition to the costs below, an additional 1,278,617 unclassified units were paid in SFY2018 that were unable to be appropriately mapped to a specific service. These are largely believed to be Adult Habilitation group services for the Jackson Class population with a total SFY18 fiscal impact of \$5,663,529.35. These services could potentially map to a wide array of Customized Community Supports services in future fiscal years.

The grids below show how total waiver costs would increase 18.89% based on SFY2018 service levels. The overall fiscal impact increased slightly from the public community forum meetings to reflect accurate categorization of Jackson class expenditures mentioned above. The 18.89% differential includes the federal and state share.

Table IX-E: Total Impact Analysis

Waiver	Projected FY2020 Cost	No Rate Change Projection	Differential	Variance
Developmental Disabilities Waiver	\$309,992,654.99	\$260,702,181.38	\$49,290,473.61	19%
Medically Fragile Waiver	\$2,193,344.02	\$1,599,867.63	\$593,476.39	37%
Mi Via Waiver	\$21,598,222.75	\$18,454,805.15	\$3,143,417.60	17%
TOTAL	\$333,784,221.76	\$280,756,854.16	\$53,027,367.60	19%
Gross Receipts Tax			\$2,577,130.07	
TOTAL + Gross Receipts Tax			\$55,604,497.66	

Table IX-F: Developmental Disabilities Rate Impact

Service	SFY 18 Units	Incentive Units	Fiscal Projection
Speech Language Pathology	136,036	104,161	\$7,263,824.40
Occupational Therapy	86,376	32,818	\$3,382,795.87
Occupational Therapy Assistant	34,027	12,182	\$1,715,316.05

⁵ Bundled On-Call calculated as $[(\text{Hourly Wage} \div ((24 - \text{Total Daily Nursing Hours from Bundled Nursing})) \div \text{Expected Clients in Household}]$

Physical Therapy	101,550	33,281	\$3,984,022.20
Physical Therapy Assistant	20,941	18,958	\$1,557,804.44
Behavioral Support Consultation	261,712	48,702	\$6,581,735.74
Case Management (On-going)	37,121		\$11,031,924.36
Respite	1,008,601		\$4,271,613.50
Respite (Group)	7,775		\$22,523.28
Nutritional Counseling	657		\$13,419.86
Adult Nursing Services (RN)	68,905		\$1,647,880.58
Adult Nursing Services (LPN)	12,448		\$179,641.71
CCS - Individual	2,811,796		\$30,522,725.81
CCS - Group (Cat 1)	2,723,204		\$6,648,098.16
CCS - Group (Cat 2)	2,079,032		\$9,931,811.04
CCS - Group (Small Group)	436,803		\$3,060,265.15
Community Inclusion Aide	3,742		\$151,524.23
Customized In-Home Supports (Living with Family or Natural Supports)	607,252		\$4,604,468.03
Customized In-Home Supports (Living Independently)	603,275		\$4,764,194.35
Preliminary Risk Screening and Consultation for Sexually Inappropriate Behavior	657	-	\$17,697.21
CIE - Job Maintenance	6,324		\$10,599,988.10
CIE - Group (Cat 1)	417,161		\$806,250.43
CIE - Group (Cat 2)	46,734		\$117,188.96
CIE - Self Employment	7,516		\$106,960.90
CIE - Job Aide	4,666		\$177,411.55
CIE - Intensive	14,783		\$894,364.02
Crisis Supports (Alternative Residence)	188		\$89,586.07
Crisis Supports (Individual's Residence)	5,164		\$51,265.79
Family Living	444,293		\$65,210,402.47
Supported Living Cat. 1 (Basic)	22,684		\$5,309,267.10
Supported Living Cat. 2 (Moderate)	114,322		\$28,607,433.45
Supported Living Cat. 3 (Extensive)	244,369		\$82,822,128.50
Supported Living Cat. 4 (Extraordinary)	25,812		\$12,022,343.50
Intensive Medical Living Supports	3,209		\$1,824,778.17
TOTAL: \$309,992,654.99			

Table IX-G: Medically Fragile Waiver Rate Impact

Service	SFY 18 Units	Fiscal Projection
Case Management Assessment	138	\$ 13,898.77
Case Management On-Going	1,653	\$ 962,488.06
Home Health Aide	16,308	\$ 476,286.43
Home Health Aide (Respite)	5,825	\$ 170,761.48

Nutritional Counseling	75	\$ 6,480.02
Speech Therapy	150	\$ 3,795.99
Private Duty Nursing—RN Respite	4,222	\$ 96,602.66
Private Duty Nursing—RN	9,249	\$ 183,810.35
Private Duty Nursing—LPN Respite	3,968	\$ 107,787.52
Private Duty Nursing—LPN	11,220	\$ 153,474.50
Physical Therapy	40	\$ 611.66
Occupational Therapy	40	\$ 1,029.81
Nutritional Counseling	75	\$ 6,556.92
Out of Home Respite	7	\$ 3,276.00
Behavior Support Consultation – Clinic Based	46	\$ 475.08
Behavior Support Consultation	345	\$ 6,008.77
TOTAL	\$2,193,344.02	

Table IX-H: Mi Via Waiver Rate Impact

Service	SFY 18 Units	Fiscal Projection
Consultant Services (Mi Via)	13,755	\$4,420,459.93
In-Home Living Supports (Mi Via)	335,021	\$17,177,762.82
TOTAL	\$21,598,222.75	

Inflation Considerations

The rates calculations were based on data collected primarily from 2017-18. PCG recommends DDSD consider the inflation factors described below when moving forward, based on the actual implementation period. For example, rates that would be implemented in 2020 instead of 2019 would require additional increases to account for the inflation in costs that would likely occur leading up to 2020. There are several mechanisms to account for inflation. PCG recommends using a reliable source such as the Consumer Price Index (CPI), which is made available by the Bureau of Labor Statistics. Specifically, the CPI-U index covers all urban consumers, representing the cost of all items to 88 percent of the U.S. population. The Western region would be most appropriate benchmark because there is no New Mexico specific CPI-U available. As table VII-J illustrates below, the average cost of items increased approximately one to three percent over the past five years, averaging to 2.37 percent annually over that period.

Table IX-I: Inflation Increase over Time

Year	Month	Annual	Inflation %	Five-Year Average
2014	April	239.808		
2015	April	242.302	1.04	
2016	April	246.589	1.77	
2017	April	253.806	2.93	
2018	April	262.037	3.24	
2019	April	269.522	2.86	2.37

The table below shows how the 2.37 percent inflation factor could be applied annually. Notice that the 2.37 percent factor is applied to each preceding year. This effectively increases the percentage each year as the figure is

continuously applied to a larger baseline. This means that each rate should be multiplied by the inflation factor based on the implementation year.

Table IX-J: Inflation Factorization

Implementation Period	Inflation Factor
July 2019	100.00%
July 2020	102.37%
July 2021	104.80%
July 2022	107.28%
July 2023	109.82%

X. RATE RECOMMENDATIONS

HCBS Rate Recommendations

Based on the methodology and data inputs, PCG recommends the HCBS service rate options summarized below and described in the preceding sections. ***These recommendations are intended to be used as guidance and the State of New Mexico, DDSD, may accept all, some, or none of these fiscal recommendations.***

Recommendations included on the next page.

Table X-A: PCG Rate Recommendations for the Developmental Disabilities Waiver

Developmental Disabilities Waiver									
SERVICE	UNIT	BILLABLE % TIME STUDY	BILLABLE % INDUSTRY STANDARD	BILLABLE SOURCE	CURRENT RATE	CURRENT INCENTIVE RATE	RECOMMENDED RATE	RECOMMENDED INCENTIVE RATE	VARIANCE
Speech Language Pathology	15 Min	54%		N/A: CPI	\$ 22.90	\$ 29.20	\$ 25.75	\$ 32.83	12%
Occupational Therapy	15 Min	46%		N/A: CPI	\$ 22.90	\$ 29.20	\$ 25.75	\$ 32.83	12%
Occupational Therapy Assistant	15 Min	74%		N/A: CPI	\$ 18.84	\$ 24.71	\$ 21.18	\$ 27.78	12%
Physical Therapy	15 Min	52%		N/A: CPI	\$ 22.90	\$ 29.20	\$ 25.75	\$ 32.83	12%
Physical Therapy Assistant	15 Min	60%		N/A: CPI	\$ 18.84	\$ 24.71	\$ 21.18	\$ 27.78	12%
Behavioral Support Consultation	15 Min	54%		N/A: CPI	\$ 18.34	\$ 23.66	\$ 20.62	\$ 26.60	12%
Case Management (On-going) DD	Month	67%	70%	Industry	\$ 254.91		\$ 314.35		23%
Respite (DD)	15 Min	89%		Time Study	\$ 4.67		\$ 4.82		3%
Respite (Group)	15 Min	64%		Time Study	\$ 2.67		\$ 3.28		23%
Nutritional Counseling	15 Min	80%		Time Study (Agg)	\$ 12.96		\$ 21.10		63%
Adult Nursing Services (RN)	15 Min	48%	65%	Industry	\$ 19.23		\$ 24.36		27%
Adult Nursing Services (LPN)	15 Min	43%	65%	Industry	\$ 13.92		\$ 16.59		19%
CCS - Individual	15 Min	71%		Time Study	\$ 7.18		\$ 8.86		23%
CCS - Group (Cat 1)**	15 Min	64%		Time Study	\$ 2.68		\$ 2.54		-5%
CCS - Group (Cat 2)	15 Min	64%	70%	Industry	\$ 4.02		\$ 5.21		30%
CCS - Group (Small Group)	15 Min	64%	55%	Industry	\$ 4.00		\$ 5.73		43%
Community Inclusion Aide*	Hour	N/A	80%	Industry	\$ 18.03		\$ 34.44		91%
Customized In-Home Supports (Living with Family or Natural Supports)	15 Min	87%		Time Study	\$ 6.87		\$ 7.99		16%
Customized In-Home Supports (Living Independently)	15 Min	87%		Time Study	\$ 6.87		\$ 7.99		16%
Preliminary Risk Screening and Consultation for Sexually Inappropriate Behavior	15 Min	64%		Time Study (Agg)	\$ 20.32	\$ 26.03	\$ 26.94	\$ 34.51	33%
CIE - Job Maintenance*	Month	52%		Time Study	\$ 951.66		\$ 1,346.60		41%
CIE - Group (Cat 1)	15 Min	68%		Time Study	\$ 1.99		\$ 2.22		11%
CIE - Group (Cat 2)	15 Min	68%		Time Study	\$ 3.01		\$ 3.69		23%
CIE - Self Employment	15 Min	52%		Time Study	\$ 6.78		\$ 15.30		126%
CIE - Job Aide*	Hour	89%	80%	Industry	\$ 18.03		\$ 34.44		91%
CIE - Intensive	Hour	53%		Time Study	\$ 42.64		\$ 56.42		32%
Crisis Supports (Alternative Resid)	Day	72%		Time Study	\$ 352.07		\$ 465.49		27%
Crisis Supports (Individual's Resid)	15 Min	72%		Time Study	\$ 9.23		\$ 9.70		5%
Family Living	Day	90%		Time Study	\$ 119.48		\$ 145.52		22%
Supported Living Cat. 1 (Basic)	Day	90%		Time Study	\$ 195.52		\$ 210.35		8%
Supported Living Cat. 2 (Moderate)	Day	90%		Time Study	\$ 232.76		\$ 258.69		11%
Supported Living Cat. 3 (Extensive)	Day	90%		Time Study	\$ 293.52		\$ 339.09		16%
Supported Living Cat. 4 (Extraordinary)	Day	90%		Time Study	\$ 392.25		\$ 435.81		11%
Intensive Medical Living Supports	Day	90%		Time Study	\$ 429.18		\$ 468.00		9%
*These rate structures are being reviewed as part of waiver renewal									
**The state does not intend to decrease any rates. This rate will not reflect a decrease									

Table X-B: PCG Rate Recommendations for the Medically Fragile Waiver

Medically Fragile Waiver							
SERVICE	UNIT	BILLABLE % TIME STUDY	BILLABLE % INDUSTRY STANDARD	BILLABLE SOURCE	CURRENT RATE	RECOMMENDED RATE	VARIANCE
Case Management Assessment	Unit	40%	70%	Industry	\$ 55.06	\$ 100.72	83%
Case Management On-Going	Month	40%	70%	Industry	\$ 475.00	\$ 581.94	23%
Home Health Aide	Hour	91%		Time Study	\$ 16.32	\$ 30.46	87%
Home Health Aide (Respite)	Hour	91%		Time Study	\$ 16.32	\$ 30.46	87%
Speech Therapy	15 Min	54%		N/A: CPI	\$ 22.90	\$ 25.75	12%
Private Duty Nursing—RN Respite	15 Min	48%	65%	Industry	\$ 19.23	\$ 24.36	27%
Private Duty Nursing—RN	15 Min	48%	65%	Industry	\$ 19.23	\$ 24.36	27%
Private Duty Nursing—LPN Respite	15 Min	43%	65%	Industry	\$ 13.92	\$ 16.59	19%
Private Duty Nursing—LPN	15 Min	43%	65%	Industry	\$ 13.92	\$ 16.59	19%
Physical Therapy	15 Min	52%		N/A: CPI	\$ 22.90	\$ 25.75	12%
Occupational Therapy	15 Min	46%		N/A: CPI	\$ 22.90	\$ 25.75	12%
Nutritional Counseling	Hour	80%		Time Study (Agg)	\$ 42.83	\$ 84.40	97%
Out of Home Respite	Day	N/A		N/A: IMLS	\$ 315.07	\$ 468.00	49%
Behavior Support Consultation – Clinic Based	15 Min	54%		N/A: CPI	\$ 11.63	\$ 13.08	12%
Behavior Support Consultation	15 Min	54%		N/A: CPI	\$ 19.62	\$ 22.06	12%

Table X-C: PCG Rate Recommendations for the Mi Via Waiver

Mi Via Waiver							
SERVICE	UNIT	BILLABLE % TIME STUDY	BILLABLE % INDUSTRY STANDARD	BILLABLE SOURCE	CURRENT RATE	RECOMMENDED RATE	VARIANCE
Consultant Services	Month	55%		Time Study	\$ 243.00	\$ 313.93	29%
In-Home Living Supports	Day	87%		Time Study	\$25 - 131.50	\$25.04 - 150.26	14%

XI. PROGRAMMATIC RECOMMENDATIONS

Throughout our work with NM DDSD and the stakeholder community we found areas where there are opportunities for current work to be taken to the next level and new work to be done to improve the outcomes of the system and to expand and improve the overall system's functioning. In this section of the report we will address specific areas that we think are worth further examination and work. One recommendation that permeates all areas and all efforts by DDSD is the continued work to actualize person-centered thinking (PCT) throughout the entire system and all actions taken by the system. PCT is essential to the ongoing and future success of the system and must be an affirmative commitment to continue and expand efforts including additional training, ongoing evaluation of practices and continued critical assessment of progress. Becoming a person-centered system is an ongoing process that will require vigilance and oversight.

The additional programmatic recommendations addressed in this section are categorized under these three broad topical areas: 1) Objective assessment process; 2) Administrative practices streamlining; and 3) HCBS Waiver redesign. While these areas were not specifically a part of the PCG scope of work they are areas that merit DSD's consideration for continued system improvement.

Objective Assessment Tool

We understand that the state discontinued the initial and routine use of the Supports Intensity Scale ® (SIS) assessment tool. It is also our understanding that currently adults entering services receive budget approvals using a process referred to as the Outside Review process and clinical criteria developed by the State. If the state is not already doing so, we recommend that New Mexico DDSD, in collaboration with stakeholders explore the use of a nationally recognized, validated and standardized assessment tool that would be used with each person entering or currently in the system to establish a consistent baseline of information. This tool should have a certification process for training and a process to establish inter-rater reliability to ensure consistent assessment information for each person receiving services. This information is essential to establish, objectively, the strengths and needs of each person as a foundation service planning and for establishing service budgets.

A key component to the objective assessment identification and implementation is starting with broad-based community engagement and continuing in partnership with stakeholders. We recommend the state examine existing tools currently in use by other ID/DD systems in the United States and that the process for selecting a tool would include gathering information on benefits and any pitfalls of current practices as well as an analysis of the opportunities to customize tools specific to New Mexico. Selection of the tool is the first critical step in developing an assessment process that provides quality guidance in the development of an individual's service plan.

Additional steps that DDSD will need to take include steps for aligning the individuals' identified needs with service plan development to ensure that there is an accurate reflection of the support needed by the person receiving services, provide for outlier support and any identified episodic needs, which can be done by considering additional information. Finally, it is essential that a well-defined appeal procedure be clearly identified and provided to current people enrolled in the system and future participants.

It is also recommended that New Mexico DDSD establish a statewide pilot of the selected instrument(s) and a process to share the initial findings with the stakeholder group. Based on the findings, the group could recommend any modifications/additions to the tool and process and make a consensus recommendation on a tool to be adopted by the statewide NM DDSD system. The timeline to implement the new assessment tool should include a transition period to ensure the system has the capacity to implement the process in a way that does not disrupt services to people. The adoption of the tool and the plan for phase in must be submitted to CMS as a waiver amendment.

Administrative Practices Streamlining

PCG identified several areas for consideration of administrative streamlining during work with the State and from the stakeholder engagement activities. The areas noted fall into three areas: data collection and analysis, waiting list management, and operational streamlining.

Data Collection and Analysis

Having a solid set of consistently collected data on key aspects of the DDSD system of service is an essential element of sound system management and is an area of opportunity for DDSD to manage using data driven decision making and clearly defined quality outcomes. Reporting and analyzing data on a consistent basis is key to state oversight and a continual quality improvement strategy. Effective data systems need to include the capability to link systems for comprehensive data analysis.

A comprehensive data management approach includes data gathered from providers in addition to data reported by individuals who receive services and their families. This data should include any data that New Mexico routinely gathers around individual satisfaction with services or information that was gathered as part of assessing the individual experience with HCBS waivers as part of developing the Statewide Transition Plan for the HCBS Settings Final Rule. Data received from the monitoring completed by the service coordination staff should also be evaluated to identify some consistently collected, key indicators of quality that can be aggregated and analyzed across all participants. As part of the data collection process for the rate methodology study, service coordination staff reported a high percentage of time spent on monitoring activities. PCG is recommending that DDSD establish a process for routinely collecting information from the monitoring that reflects information collected on the achievement of outcomes by persons supported by the DDSD service system. For example, the outcome data will be one source that is helpful in examining if the rate increases have an impact on the people being supported by the system to achieve the goals identified in their person-centered plans. Additionally, the data from the quality and outcomes monitoring will assist DDSD in evaluating and reporting the achievement of the requirements contained with the HCBS Settings Final Rule.

One area important for data collection is in measuring outcomes. In recommending new rates for the DDSD service system the state has done an extensive analysis of how the model rate components can drive how money is spent to achieve system outcomes. In order to determine if the changes are influencing practice information on how providers are spending funding needs to be collected and analyzed on a regular and ongoing basis. PCG is suggesting that DDSD establish a process for regular reporting of revenues and expenditures by all providers.

Waiting List Management

A waiting list process that operates in real time and has current, accurate and reliable data that supports a consistent, equitable enrollment practice. The defined process also assists the state to effectively manage resources and long-term planning. PCG recommends developing a process to manage the waiting list in real time. This recommendation includes a stakeholder process for examining how the waitlist functions. The work should include an examination of the terms or categories used and result in clear definitions that; for example, make a distinction among individuals on the waitlist who need service immediately. Identification of people with future needs, and those who need changes in the services currently received. We understand that people may see being placed on the waitlist as a safety net for future needs especially when a key management factor is the date placed on the list. We are recommending that a process of stakeholder engagement to better define terms and the management process for the waitlist will result in improved, on-going management and will provide access to waiting list information across systems and promote better understanding. This improved management and access to the waitlist will assist the state to identify and enroll individuals in the most efficient manner.

Operational Streamlining

PCG noted as well as received comments about the need for operational (administrative) streamlining. As a result of our experience we are recommending an analysis of the current regulations, policies and procedures to identify

practices that are duplicative and/or that may be outdated or unnecessary. Standards could be developed within a framework that defines elements essential for compliance, eliminating the need for detailed instructions embedded within. An approach that allows providers flexibility to meet requirements and removes unnecessary process or prescriptive requirements and frees the State from the burden of monitoring unneeded detail and allows the focus to be put on individual outcomes and the assurance of health, safety and well-being. The state can accomplish this operational review with a stakeholder group, or focused target groups based on specific topical areas of interest and/or expertise. The benefit to the elimination or reduction of unnecessary, burdensome bureaucratic requirements will be a focus on requirements that are essential to meet compliance and support achievement of outcomes for the people supported by the system. Key tools for DDSD in successful development and implementation of each of these recommendations is the employment of a comprehensive communication strategy and adherence to principles of change management.

PCG is also recommending that in partnership with the Medicaid agency DDSD review and consider changes to the provider billing system. If changes to service definitions with addition of new service definitions or unbundling of services (therapies, supported employment) are made then new codes to allow billing will need to be developed. An audit of the use of current codes is also warranted to ensure that services are being correctly reported for billing purposes and for purposes of determining and tracking service utilization. As with other recommendations, DDSD should embark upon this process with a clearly defined set of outcomes that will ultimately result in improved ability to manage and track system performance.

We also recommend that an examination of the operational management of all critical incident reporting be systemically reviewed to ensure that important data is not being missed. PCG recommends that DDSD map the various systems where health and welfare information is reported to ensure that all information received is critical, aligns with systems expectations and is regularly reviewed and analyzed. Systems that are disparate, or independent of one another need to be linked through a common process for analysis to ensure that a comprehensive and integrated review is performed.

HCBS Waiver Design

The work that PCG performed for rate methodology was specifically limited to these areas:

- Assess rates
- Ensure recommended rates are fair and efficient
- Complete a rate study for the following DDSD HCBS waiver programs
- Mi Via
 - In-Home Living Supports
 - Consultant services
- Developmental Disabilities
 - All services
- Medically Fragile
 - All services
- Provide DDSD with best practice research from peer states
- Provide DDSD with objective recommended reimbursement rates

As the reader will note, waiver modification/redesign was not included in the scope of this contract. The work for this contract consistently adhered to the existing waiver design including service definitions, provider requirements, staffing expectations and other specific detail contained in the approved waiver applications for the Developmental Disabilities, Mi Via and Medically Fragile Waivers.

However, throughout the process the need for waiver changes were consistently raised by stakeholders and state staff participating in the rate methodology work. Suggested changes ranged from service definition modification, addition of new service offerings, provider qualifications, service eligibility qualifications, and opportunities for a new

waiver to assist the state in addressing people on the statewide waiting list for services. Specifically, PCG wanted to highlight in this report three areas that were consistently mentioned.

The first area is for the consideration by the state and for alignment with the 2016 Employment First policy and practice we recommend consideration be given to the restructuring, alignment, and expansion of supported employment services to include the recommendations of the Supported Employment Learning Network efforts underway with DDSD. These changes would also have implications on service definitions, service providers requirements, reporting and data collection.

Another area for consideration; and one which was often heard during meetings with DDSD and stakeholders, was the desire to incorporate the use of telehealth and telemedicine. Addition, of this service option in the waivers could prove to be an effective strategy to address improved access to medical and behavioral health services to address the shortage of trained and experienced professionals who work with people with intellectual and developmental disabilities. Use of these service options not only improves access in remote areas but has also been used effectively to improve support and interventions for all people regardless of location.

The third area for consideration is what we are referring to as Support Technology. Currently, NM offers Assistive Technology, Specialized Medical Equipment and Services, and Personal Support Technology in the waivers. PCG is recommending that these services could continue to be offered but that a broader umbrella (i.e. service definition) for technology services be developed and include the use of remote support technology. Remote support technology can be used to provide support a person with a developmental disability when the provider is not physically present in their home. Different types of technology can provide different types of support. Some technology uses two-way communication in real time, just like Skype or FaceTime, so a person can communicate with their providers when they need them. A person can choose to use sensors that call for help if needed, or prompt them to take their medications, turn off appliances or lock the door when they leave the house. Technology can be used to assist a person with catching the bus or to plan for meals, shop, cook and clean. Remote support technology can provide live monitoring, sensor technology for windows, doors and bed monitoring and remote vital sign monitoring. It can also provide push-button connectivity to a central response system.

A broad based and comprehensive discussion about the implications and use of remote support technology should be engaged in with all stakeholders. Some of the benefits which should be discussed and fully explored include:

- Increased independence and autonomy;
- Balance of choice, safety and privacy;
- Option for people who require some assistance or oversight from a direct service professional and who want to spend time without constant, direct supervision;
- Provision of stand-by intervention staff who are prepared for prompt engagement via video chat, phone call, dispatch for hands-on-assistance; and
- Savings that can help reduce the wait list or invest in the Direct Support workforce environment.

Note: Two of the peer states, Tennessee and South Dakota have implemented remote support and other states have included a definition for assistive technology that can encompass remote support technology. Ohio has made great progress with implementing remote support technology, supported by Governor Kasich's "Technology First" Executive Order. The state of Missouri is also a leader in this area with a Technology First initiative.

Waiver Redesign

Finally, PCG recommends that DDSD; prior to renewal of the current comprehensive waiver for people with developmental disabilities, embark upon a process of waiver redesign. Waiver redesign work would be a statewide process conducted with the support of a steering committee comprised of wide cross-section of stakeholders. The work would start with a system visioning process to chart a course for the future. Face-to face community engagement meetings in targeted geographic regions should be scheduled to introduce concepts for a new waiver

and allow people to participate in the visioning process. Additional statewide community engagement meetings quarterly or at major development mileposts would be scheduled to update community members on design elements and budget considerations, collect feedback and review ongoing progress. This approach will help build the foundational support necessary to successfully redesign the waivers by educating the community about waiver structure, regulatory requirements and budgetary constraints and soliciting community help to design waivers within those parameters in a way that best meets the needs of New Mexico's citizens with developmental disabilities. It is our thought that a comprehensive waiver design process will be more effective than a process that only focuses on renewal of the current waiver and possible amendments to the other waivers. Given the timing, the opportunity is here for DDSD to step back and evaluate current assumptions and to design a system of waivers that are a vehicle for DDSD systems' management focused on the achievement of individual outcomes and the effective use of state and federal resources.

XII. ACKNOWLEDGMENTS

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APPENDIX A – BLS DISCIPLINES

Note: Some proxies are listed more than once under a given service if they map to multiple disciplines within that service.

Developmental Disabilities Services	Disciplines	Proxies
Behavioral Support Consultation		
Behavioral Support Consultation, Standard/ Incentive	Behavioral Support Consultant	<i>Clinical, Counseling, and School Psychologists</i>
		<i>Psychologist, All Others</i>
		<i>Healthcare Social Workers</i>
Case Management		
Case Management On-Going	Case Manager	<i>Healthcare Social Workers</i>
		<i>Community and Social Service Specialists, All Other</i>
Community Integrated Employment Services		
Community Integrated Employment, Job Maintenance	Job Coach; Job Developer	<i>Community and Social Service Specialists, All Other</i>
		<i>Social and Human Service Assistants</i>
		<i>Community and Social Service Specialists, All Other</i>
		<i>Social and Human Service Assistants</i>
Community Integrated Employment, Group, Category 1	Direct Support Staff - Employment; Job Coach	<i>Personal Care Aide</i>
		<i>Social and Human Service Assistants</i>
		<i>Community and Social Service Specialists, All Other</i>

Developmental Disabilities Services	Disciplines	Proxies
		Community and Social Service Specialists, All Other
		Social and Human Service Assistants
Community Integrated Employment, Group, Category 2 Extensive Support	Direct Support Staff - Employment; Job Coach	Personal Care Aide
		Social and Human Service Assistants
		Community and Social Service Specialists, All Other
		Community and Social Service Specialists, All Other
		Social and Human Service Assistants
Community Integrated Employment, Self-Employment	Job Coach; Job Developer	Community and Social Service Specialists, All Other
		Social and Human Service Assistants
		Community and Social Service Specialists, All Other
		Social and Human Service Assistants
Community Integrated Employment, Job Aide	Job Aide	Personal Care Aide
Community Integrated Employment, Intensive	Direct Support Staff - Employment; Job Coach	Personal Care Aide
		Social and Human Service Assistants

Developmental Disabilities Services	Disciplines	Proxies
		Community and Social Service Specialists, All Other
		Community and Social Service Specialists, All Other
		Social and Human Service Assistants
Customized Community Supports		
Customized Community Support, Individual	Direct Support Staff - Community	Personal Care Aide
		Home Health Aide
		Social and Human Service Assistants
		Community and Social Service Specialists, All Other
Customized Community Supports, Group, Jackson Class Only	Direct Support Staff - Community	Personal Care Aide
		Home Health Aide
		Social and Human Service Assistants
		Community and Social Service Specialists, All Other
Customized Community Support, Group, Category 1	Direct Support Staff - Community	Personal Care Aide
		Home Health Aide
		Social and Human Service Assistants
		Community and Social Service Specialists, All Other

Developmental Disabilities Services	Disciplines	Proxies
Customized Community Support, Group, Category 2 Extensive Support	Direct Support Staff - Community	Personal Care Aide
		Home Health Aide
		Social and Human Service Assistants
		Community and Social Service Specialists, All Other
Customized Community Support, Small Group	Direct Support Staff - Community	Personal Care Aide
		Home Health Aide
		Social and Human Service Assistants
		Community and Social Service Specialists, All Other
Community Inclusion Aide	Community Inclusion Aide	Personal Care Aide
Customized In-Home Supports		
Customized In-Home Supports, Living with Family or Natural Supports	Direct Support Staff - Residential; Homemaker	Personal Care Aide
		Home Health Aide
		Social and Human Service Assistants
		Community and Social Service Specialists, All Other
		Personal Care Aide
		Home Health Aide
Customized In-Home Supports, Living Independently	Direct Support Staff - Residential; Homemaker	Personal Care Aide
		Home Health Aide
		Social and Human Service Assistants

Developmental Disabilities Services	Disciplines	Proxies
		Community and Social Service Specialists, All Other
		Personal Care Aide
		Home Health Aide
Crisis Supports		
		Personal Care Aide
		Home Health Aide
		Social and Human Service Assistants
		Community and Social Service Specialists, All Other
		Psychiatric Technician
		Personal Care Aide
		Home Health Aide
		Social and Human Service Assistants
		Community and Social Service Specialists, All Other
		Psychiatric Technician
Living Supports		
		Personal Care Aide
		Home Health Aide
		Social and Human Service Assistants
		Community and Social Service Specialists, All Other

Developmental Disabilities Services	Disciplines	Proxies
Family Living, Jackson Class Only	Direct Support Staff - Residential	<i>Personal Care Aide</i>
		<i>Home Health Aide</i>
		<i>Social and Human Service Assistants</i>
		<i>Community and Social Service Specialists, All Other</i>
Supported Living, Category 1 Basic Support	Direct Support Staff - Residential	<i>Personal Care Aide</i>
		<i>Home Health Aide</i>
		<i>Social and Human Service Assistants</i>
		<i>Community and Social Service Specialists, All Other</i>
Supported Living, Category 2 Moderate Support	Direct Support Staff - Residential	<i>Personal Care Aide</i>
		<i>Home Health Aide</i>
		<i>Social and Human Service Assistants</i>
		<i>Community and Social Service Specialists, All Other</i>
Supported Living, Category 3 Extensive Support	Direct Support Staff - Residential	<i>Personal Care Aide</i>
		<i>Home Health Aide</i>
		<i>Social and Human Service Assistants</i>
		<i>Community and Social Service Specialists, All Other</i>
	Direct Support Staff - Residential	<i>Personal Care Aide</i>

Developmental Disabilities Services	Disciplines	Proxies
Supported Living Category 4 Extraordinary Medical/ Behavioral Support		Home Health Aide
		Social and Human Service Assistants
		Community and Social Service Specialists, All Other
Intensive Medical Living Services	Direct Support Staff - Residential	Personal Care Aide
		Home Health Aide
		Social and Human Service Assistants
		Community and Social Service Specialists, All Other
IMLS Bundled Nutrition	Nutritionist	
IMLS Bundled Nursing	Registered Nurse	
Nutritional Counseling		
Nutritional Counseling	Dietitian/Nutritionist	
Preliminary Risk Screening and Consultation Related to Inappropriate Sexual Behavior		
Preliminary Risk Screening and Consultation for Inappropriate Sexual Behavior, Standard/ Incentive	Risk Evaluator	Clinical, Counseling, and School Psychologists
		Psychologist, All Others
Adult Nursing		
Adult Nursing Services, RN	Registered Nurse	
Adult Nursing Services, LPN	Licensed Practical Nurse	
Respite		
Respite	Respite Provider	Personal Care Aide

Developmental Disabilities Services	Disciplines	Proxies
		Home Health Aide
		Social and Human Service Assistants
Respite - Group	Respite Provider	Personal Care Aide
		Home Health Aide
		Social and Human Service Assistants
Socialization and Sexuality Education		
Socialization and Sexuality Education, Standard/ Incentive	Behavioral Support Consultant, Registered Nurse, Health Educator, Direct Support Staff - Community	Behavioral Support Consultant
		Registered Nurse
		Health Educator
		Direct Support Staff -Community
Therapy Services		
Occupational Therapy, Standard/ Incentive	Occupational Therapist	
Occupational Therapy Assistant, Standard/ Incentive	Occupational Therapist Assistant	
Physical Therapy, Standard/ Incentive	Physical Therapist	
Physical Therapy Assistant (PTA), Standard/ Incentive	Physical Therapist Assistant	
Speech, Language Pathology, Standard/ Incentive	Speech Language Pathologist	

Medically Fragile Services	Disciplines	Proxies
Behavior Support Consultation	Behavior Support Consultant	<i>Clinical, Counseling, and School Psychologists</i>
		<i>Psychologist, All Others (DD)</i>
		<i>Healthcare Social Workers</i>
Behavior Support Consultation – Clinic Based	Behavior Support Consultant	<i>Clinical, Counseling, and School Psychologists</i>
		<i>Substance Abuse, Behavioral Disorder, and Mental Health Counselors</i>
		<i>Healthcare Social Workers</i>
Case Management Assessment	Nurse Case Manager	<i>Registered Nurse</i>
		<i>Medical and Health Services Managers</i>
		<i>Healthcare Social Workers</i>
Case Management Ongoing	Nurse Case Manager	<i>Registered Nurse</i>
		<i>Medical and Health Services Managers</i>
		<i>Healthcare Social Workers</i>
Home Health Aide	Home Health Aide	
Home Health Aide—Respite	Home Health Aide/Respite Provider	<i>Home Health Aide</i>
		<i>Respite Provider</i>
Nutritional Counseling	Dietitian/Nutritionist	
Occupational Therapy	Occupational Therapist	
Physical Therapy	Physical Therapist	
Private Duty Nursing—RN	Registered Nurse	
Private Duty Nursing—RN Respite	Registered Nurse	
Private Duty Nursing—LPN	Licensed Practical Nurse	

Private Duty Nursing—LPN Respite	Licensed Practical Nurse	
Institutional Respite	Respite Provider	<i>Personal Care Aide</i>
		<i>Home Health Aide</i>
		<i>Social and Human Service Assistants</i>
Speech Therapy	Speech Language Pathologist	

Mia Via Services	Disciplines	Proxies
In-Home Living Supports	Direct Support Staff - Residential; Homemaker	<i>Personal Care Aide</i>
		<i>Home Health Aide</i>
		<i>Social and Human Service Assistants</i>
		<i>Community and Social Service Specialists, All Other</i>
		<i>Personal Care Aide</i>
		<i>Home Health Aide</i>
Consultant	Consultant	<i>Healthcare Social Workers</i>
		<i>Community and Social Services Specialists, All Other</i>

APPENDIX B – RATE CALCULATION TABLES DEVELOPMENTAL DISABILITIES WAIVER

SERVICE: Case Management (On-going)	Rate Build Up	%
WAGE: Case Manager		
Annual Salary	\$47,997.50	
Hourly Rate	\$23.08	
Employee Related Expenses/Benefits	\$5.25	22.76%
Employee Salary + Benefits Per Hour	\$28.33	
HCBS Subcontractor Cost Per Hour	\$24.62	
Portion for Employee Costs	\$9.76	34%
Portion for Subcontractor Costs	\$16.14	66%
Total Hourly Personnel Cost	\$25.90	
Admin + Program Support Costs	\$11.10	30%
Hourly Admin/PS + Personnel	\$36.99	
Billable/Non-billable Factor	\$52.85	70%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$54.40	
Monthly Rate (5.778 hours per month)	\$314.35	

SERVICE: Respite	Rate Build Up	%
WAGE: Respite Provider		
Annual Salary	\$27,439.17	
Hourly Rate	\$15.00	
Employee Related Expenses/Benefits	\$3.41	22.76%
Employee Salary + Benefits Per Hour	\$18.41	
HCBS Subcontractor Cost Per Hour	\$10.04	
Portion for Employee Costs	\$2.23	12%
Portion for Subcontractor Costs	\$8.82	88%
Total Hourly Personnel Cost	\$11.05	
Admin + Program Support Costs	\$4.74	30%
Hourly Admin/PS + Personnel	\$15.79	
Billable/Non-billable Factor	\$17.74	89%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$19.30	
15 Min Rate	\$4.82	

SERVICE: Respite - Group	Rate Build Up	%
WAGE: Respite Provider		
Annual Salary	\$27,439.17	
Hourly Rate	\$15.00	
Employee Related Expenses/Benefits	\$3.41	22.76%
Employee Salary + Benefits Per Hour	\$18.41	

HCBS Subcontractor Cost Per Hour	\$10.04	
Portion for Employee Costs	\$2.23	12%
Portion for Subcontractor Costs	\$8.82	88%
Total Hourly Personnel Cost	\$11.05	
Admin + Program Support Costs	\$4.74	30%
Hourly Admin/PS + Personnel	\$15.79	
Billable/Non-billable Factor	\$24.67	64%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$26.23	
15 Min Rate	\$6.56	
Group Rate	\$3.28	

SERVICE: Nutritional Counseling	Rate Build Up	%
WAGE: Dietician/Nutritional Counselor		
Annual Salary	\$56,602.50	
Hourly Rate	\$27.21	
Employee Related Expenses/Benefits	\$6.19	22.76%
Employee Salary + Benefits Per Hour	\$33.41	
HCBS Subcontractor Cost Per Hour	\$72.33	
Portion for Employee Costs	\$22.27	67%
Portion for Subcontractor Costs	\$24.11	33%
Total Hourly Personnel Cost	\$46.38	
Admin + Program Support Costs	\$19.88	30%
Hourly Admin/PS + Personnel	\$66.26	
Billable/Non-billable Factor	\$82.82	80%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$84.38	
15 Min Rate	\$21.10	25%

SERVICE: Adult Nursing Service (RN)	Rate Build Up	%
WAGE: Registered Nurse		
Annual Salary	\$73,965.00	
Hourly Rate	\$35.56	
Employee Related Expenses/Benefits	\$8.09	22.76%
Employee Salary + Benefits Per Hour	\$43.65	
HCBS Subcontractor Cost Per Hour		
Portion for Employee Costs	\$42.86	98%
Portion for Subcontractor Costs	\$0.77	2%
Total Hourly Personnel Cost	\$43.63	
Admin + Program Support Costs	\$18.70	30%
Hourly Admin/PS + Personnel	\$62.32	

Billable/Non-billable Factor	\$95.88	65%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$97.43	
15 Min Rate	\$24.36	

SERVICE: Job Aide	Rate Build Up	%
WAGE: Job Aide (DSP -Employment Billable)		
Annual Salary	\$22,957.50	
Hourly Rate	\$15.00	
Employee Related Expenses/Benefits	\$3.41	22.76%
Employee Salary + Benefits Per Hour	\$18.41	
HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$18.41	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$18.41	
Admin + Program Support Costs	\$7.89	30%
Hourly Admin/PS + Personnel	\$26.31	
Billable/Non-billable Factor	\$32.88	80%
Mileage	\$1.56	
Hourly Rate	\$34.44	

SERVICE: Customized Community Supports - Individual	Rate Build Up	%
WAGE: DSP-Community/Residential		
Annual Salary	\$30,225.00	
Hourly Rate	\$15.00	
Employee Related Expenses/Benefits	\$3.41	22.76%
Employee Salary + Benefits Per Hour	\$18.41	
HCBS Subcontractor Cost Per Hour	\$13.08	
Portion for Employee Costs	\$13.00	71%
Portion for Subcontractor Costs	\$3.85	29%
Total Hourly Personnel Cost	\$16.84	
Admin + Program Support Costs	\$7.22	30%
Hourly Admin/PS + Personnel	\$24.06	
Billable/Non-billable Factor	\$33.89	71%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$35.45	
15 Min Rate	\$8.86	

SERVICE: Customized Community Supports – Group Category 1	Rate Build Up	%
WAGE: DSP-Community/Residential		
Annual Salary	\$30,225.00	
Hourly Rate	\$15.00	

Employee Related Expenses/Benefits	\$3.41	22.76%
Employee Salary + Benefits Per Hour	\$18.41	
HCBS Subcontractor Cost Per Hour	\$13.08	
Portion for Employee Costs	\$13.00	71%
Portion for Subcontractor Costs	\$3.85	29%
Total Hourly Personnel Cost	\$16.84	
Admin + Program Support Costs	\$7.22	30%
Hourly Admin/PS + Personnel	\$24.06	
Billable/Non-billable Factor	\$37.60	64%
Mileage	\$1.56	
Bundled Nursing Component	\$1.55	
TOTAL HOURLY RATE	\$40.70	
15 Min Rate	\$10.18	
Group Rate	\$2.54 ⁶	

SERVICE: Customized Community Supports – Group Category 2	Rate Build Up	%
WAGE: DSP-Community/Residential		
Annual Salary	\$30,225.00	
Hourly Rate	\$15.00	
Employee Related Expenses/Benefits	\$3.41	22.76%
Employee Salary + Benefits Per Hour	\$18.41	
HCBS Subcontractor Cost Per Hour	\$13.08	
Portion for Employee Costs	\$13.67	74%
Portion for Subcontractor Costs	\$3.37	26%
Total Hourly Personnel Cost	\$17.04	
Admin + Program Support Costs	\$7.30	30%
Hourly Admin/PS + Personnel	\$24.34	
Billable/Non-billable Factor	\$34.77	70%
Mileage	\$1.56	
Bundled Nursing Component	\$5.38	
TOTAL HOURLY RATE	\$41.71	
15 Min Rate	\$10.43	
Group Rate	\$5.21	

SERVICE: Customized Community Supports – Small Group	Rate Build Up	%
WAGE:		
Annual Salary	\$30,225.00	
Hourly Rate	\$15.00	
Employee Related Expenses/Benefits	\$3.41	22.76%

⁶ This rate is lower than the current fee schedule rate. DDSD does not intent to reduce any rates and the rate will remain flat at PCG recommends holding this rate at the current level to prevent provider loss.

Employee Salary + Benefits Per Hour	\$18.41	
HCBS Subcontractor Cost Per Hour	\$13.08	
Portion for Employee Costs	\$13.67	74%
Portion for Subcontractor Costs	\$3.37	26%
Total Hourly Personnel Cost	\$17.04	
Admin + Program Support Costs	\$7.30	30%
Hourly Admin/PS + Personnel	\$24.34	
Billable/Non-billable Factor	\$44.25	55%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$45.81	
15 Min Rate	\$11.45	
Group Rate	\$5.73	

SERVICE: Customized Community Support – Community Inclusion Aide	Rate Build Up	%
WAGE: Community Inclusion Aide		
Annual Salary	\$22,957.50	
Hourly Rate	\$15.00	
Employee Related Expenses/Benefits	\$3.41	22.76%
Employee Salary + Benefits Per Hour	\$18.41	
HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$18.41	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$18.41	
Admin + Program Support Costs	\$7.89	30%
Hourly Admin/PS + Personnel	\$26.31	
Billable/Non-billable Factor	\$32.88	80%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$34.44	

SERVICE: Customized In-Home Supports (Living with Family/Natural Supports and Living Independently)	Rate Build Up	%
WAGE: DSP-Community/Residential; Homemaker (50%)		
Annual Salary	\$22,957.50	
Hourly Rate	\$15.00	
Employee Related Expenses/Benefits	\$3.41	22.76%
Employee Salary + Benefits Per Hour	\$18.41	
HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$18.41	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$18.41	
Admin + Program Support Costs	\$7.89	30%

Hourly Admin/PS + Personnel	\$26.31	
Billable/Non-billable Factor	\$30.42	87% ⁷
Mileage	\$1.56	
TOTAL HOURLY RATE	\$31.98	
15 Min Rate	\$7.99	

SERVICE: Adult Nursing Services (LPN)	Rate Build Up	%
WAGE: Licensed Practical Nurse		
Annual Salary	\$49,962.50	
Hourly Rate	\$24.02	
Employee Related Expenses/Benefits	\$5.47	22.76%
Employee Salary + Benefits Per Hour	\$29.49	
HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$29.49	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$29.49	
Admin + Program Support Costs	\$12.64	30%
Hourly Admin/PS + Personnel	\$42.12	
Billable/Non-billable Factor	\$64.81	65%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$66.36	
15 Min Rate	\$16.59	

SERVICE: Community Integrated Employment – Group Category 1	Rate Build Up	%
WAGE: Job Coach/DSP - Employment		
Annual Salary	\$34,485.63	
Hourly Rate	\$16.58	
Employee Related Expenses/Benefits	\$3.77	22.76%
Employee Salary + Benefits Per Hour	\$20.35	
HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$20.35	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$20.35	
Admin + Program Support Costs	\$8.72	30%
Hourly Admin/PS + Personnel	\$29.08	
Billable/Non-billable Factor	\$42.76	68%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$44.31	
15 Min Rate	\$11.08	
Group Rate	\$2.22	

⁷ Due to weighted calculations, billable percentage is slightly above 87%.

SERVICE: Community Integrated Employment – Group Category 2	Rate Build Up	%
WAGE: Job Coach/DSP - Employment		
Annual Salary	\$34,485.63	
Hourly Rate	\$16.58	
Employee Related Expenses/Benefits	\$3.77	22.76%
Employee Salary + Benefits Per Hour	\$20.35	
HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$20.35	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$20.35	
Admin + Program Support Costs	\$8.72	30%
Hourly Admin/PS + Personnel	\$29.08	
Billable/Non-billable Factor	\$42.76	68%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$44.31	
15 Min	\$11.08	
Group Rate	\$3.69	

SERVICE: Community Integrated Employment – Job Maintenance	Rate Build Up	%
WAGE: Job Coach/Job Developer		
Annual Salary	\$36,791.25	
Hourly Rate	\$17.69	
Employee Related Expenses/Benefits	\$4.03	22.76%
Employee Salary + Benefits Per Hour	\$21.71	
HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$21.71	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$21.71	
Admin + Program Support Costs	\$9.31	30%
Hourly Admin/PS + Personnel	\$31.02	
Billable/Non-billable Factor	\$59.65	52%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$61.21	
Monthly Rate (22 hours per month)	\$1,346.60	

SERVICE: Community Integrated Employment – Self Employment	Rate Build Up	%
WAGE: Job Coach/Job Developer		
Annual Salary	\$36,791.25	
Hourly Rate	\$17.69	
Employee Related Expenses/Benefits	\$4.03	22.76%

Employee Salary + Benefits Per Hour	\$21.71	
HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$21.71	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$21.71	
Admin + Program Support Costs	\$9.31	30%
Hourly Admin/PS + Personnel	\$31.02	
Billable/Non-billable Factor	\$59.65	52%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$61.21	
15 Min Rate	\$15.30	

SERVICE: Community Integrated Employment - Intensive	Rate Build Up	%
WAGE:		
Annual Salary	\$34,485.63	
Hourly Rate	\$16.58	
Employee Related Expenses/Benefits	\$3.77	22.76%
Employee Salary + Benefits Per Hour	\$20.35	
HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$20.35	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$20.35	
Admin + Program Support Costs	\$8.72	30%
Hourly Admin/PS + Personnel	\$29.08	
Billable/Non-billable Factor	\$54.86	53%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$56.42	

SERVICE: Crisis Support (Alternative Residence)	Rate Build Up	%
WAGE: DSP-Community/Psychiatric Technician		
Annual Salary	\$31,797.50	
Hourly Rate	\$15.29	
Employee Related Expenses/Benefits	\$3.48	22.76%
Employee Salary + Benefits Per Hour	\$18.77	
HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$18.77	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$18.77	
Admin + Program Support Costs	\$8.04	30%
Hourly Admin/PS + Personnel	\$26.81	
Billable/Non-billable Factor	\$37.24	72%

Mileage	\$1.56	
TOTAL HOURLY RATE	\$38.79	
Daily Rate (12 hours per day)	\$465.49	

SERVICE: Crisis Supports (Individual's Residence)	Rate Build Up	%
WAGE:		
Annual Salary	\$31,797.50	
Hourly Rate	\$15.29	
Employee Related Expenses/Benefits	\$3.48	22.76%
Employee Salary + Benefits Per Hour	\$18.77	
HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$18.77	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$18.77	
Admin + Program Support Costs	\$8.04	30%
Hourly Admin/PS + Personnel	\$26.81	
Billable/Non-billable Factor	\$37.24	72%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$38.79	
15 Min Rate	\$9.70	

SERVICE: Family Living	Rate Build Up	%
WAGE: DSP - Residential		
Annual Salary	\$30,225.00	
Hourly Rate	\$15.00	
Employee Related Expenses/Benefits	\$3.41	22.76%
Employee Salary + Benefits Per Hour	18.41	
HCBS Subcontractor Cost Per Hour	\$3.79	
Portion for Employee Costs	\$ -	0%
Portion for Subcontractor Costs	\$3.79	100%
Total Hourly Personnel Cost	\$3.79	
Admin + Program Support Costs	\$1.62	30%
Hourly Admin/PS + Personnel	\$5.41	
Billable/Non-billable Factor	\$6.02	90%
DSP Component (24 hours per day)	\$144.36	
Bundled Nutrition	\$1.16	
TOTAL DAILY RATE	\$145.52	

SERVICE: Supported Living- Category 1 (Basic)	Rate Build Up	%
WAGE: DSP - Residential		
Annual Salary	\$30,225.00	
Hourly Rate	\$15.00	
Employee Related Expenses/Benefits	\$3.41	22.76%

Employee Salary + Benefits Per Hour	\$18.41	
HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$18.41	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$18.41	
Admin + Program Support Costs	\$9.07	33%
Hourly Admin/PS + Personnel	\$27.48	
Billable/Non-billable Factor	\$30.54	90%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$32.09	
DSP Daily Component	\$203.25	
Bundled Nursing Component	\$4.58	
Bundled On-Call Nursing Component	\$1.36	
Bundled Nutritional Counseling Component	\$1.16	
DAILY RATE	\$210.35	

SERVICE: Supported Living- Category 2 (Moderate)	Rate Build Up	%
WAGE: DSP - Residential		
Annual Salary	\$30,225.00	
Hourly Rate	\$15.00	
Employee Related Expenses/Benefits	\$3.41	22.76%
Employee Salary + Benefits Per Hour	\$18.41	
HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$18.41	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$18.41	
Admin + Program Support Costs	\$9.07	33%
Hourly Admin/PS + Personnel	\$27.48	
Billable/Non-billable Factor	\$30.54	90%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$32.09	
DSP Daily Component	\$235.35	
Bundled Nursing Component	\$20.82	
Bundled On-Call Nursing Component	\$1.37	
Bundled Nutritional Counseling Component	\$1.16	
DAILY RATE	\$258.69	

SERVICE: Supported Living- Category 3 (Extensive)	Rate Build Up	%
WAGE: DSP - Residential		
Annual Salary	\$30,225.00	
Hourly Rate	\$15.00	
Employee Related Expenses/Benefits	\$3.41	22.76%
Employee Salary + Benefits Per Hour	\$18.41	

HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$18.41	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$18.41	
Admin + Program Support Costs	\$9.07	33%
Hourly Admin/PS + Personnel	\$27.48	
Billable/Non-billable Factor	\$30.54	90%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$32.09	
DSP Daily Component	\$299.53	
Bundled Nursing Component	\$37.03	
Bundled On-Call Nursing Component	\$1.38	
Bundled Nutritional Counseling Component	\$1.16	
DAILY RATE	\$339.09	

SERVICE: Supported Living- Category 4 (Extraordinary)	Rate Build Up	%
WAGE: DSP - Residential		
Annual Salary	\$30,225.00	
Hourly Rate	\$15.00	
Employee Related Expenses/Benefits	\$3.41	22.76%
Employee Salary + Benefits Per Hour	\$18.41	
HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$18.41	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$18.41	
Admin + Program Support Costs	\$9.07	33%
Hourly Admin/PS + Personnel	\$27.48	
Billable/Non-billable Factor	\$30.54	90%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$32.09	
DSP Daily Component	\$363.72	
Bundled Nursing Component	\$69.54	
Bundled On-Call Nursing Component	\$1.39	
Bundled Nutritional Counseling Component	\$1.16	
DAILY RATE	\$435.81	

SERVICE: Intensive Medical Living Supports	Rate Build Up	%
WAGE: DSP - Residential		
Annual Salary	\$30,225.00	
Hourly Rate	\$15.00	
Employee Related Expenses/Benefits	\$3.41	22.76%
Employee Salary + Benefits Per Hour	\$18.41	

HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$18.41	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$18.41	
Admin + Program Support Costs	\$9.07	33%
Hourly Admin/PS + Personnel	\$27.48	
Billable/Non-billable Factor	\$30.54	90%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$32.09	
DSP Daily Component	\$363.72	
Bundled Nursing Component	\$101.64	
Bundled On-Call Nursing Component	\$1.48	
Bundled Nutritional Counseling Component	\$1.16	
DAILY RATE	\$468.00	

SERVICE: Preliminary Risk Screening for Consultation for Inappropriate Sexual Behavior	Rate Build Up	%
WAGE: Risk Evaluator		
Annual Salary	\$80,606.25	
Hourly Rate	\$38.75	
Employee Related Expenses/Benefits	\$8.82	22.76%
Employee Salary + Benefits Per Hour	\$47.57	
HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$47.57	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$47.57	
Admin + Program Support Costs	\$20.39	30%
Hourly Admin/PS + Personnel	\$67.96	
Billable/Non-billable Factor	\$106.19	64%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$107.75	
15 Min Rate	\$26.94	
15 Min Rate Incentive	\$34.51	

SERVICE: ALL THERAPIES (CPI ALTERNATIVE)	CURRENT	Year 1	Year 2	Year 3	Year 4	Final
WAGE: SLP/OT/PT						
Current Standard Rate	\$22.90	\$23.44	\$24.00	\$24.57	\$25.15	\$25.75
Current Incentive Rate	\$29.20	\$29.89	\$30.60	\$31.33	\$32.07	\$32.83
CPI Avg 2014-2019	2.37%					
% Change from Base	0%	2.37%	4.80%	7.28%	9.82%	12.43%

SERVICE: PTA/OTA (CPI ALTERNATIVE)	CURRENT	Year 1	Year 2	Year 3	Year 4	Final
WAGE: PTA/OTA						
Current Standard Rate	\$18.84	\$19.29	\$19.74	\$20.21	\$20.69	\$21.18
Current Incentive Rate	\$ 24.71	\$25.30	\$25.90	\$26.51	\$27.14	\$27.78
CPI Avg 2014-2019	2.37%					
% Change from Base	0%	2.37%	4.80%	7.28%	9.82%	12.43%

SERVICE: BEHAVIOR SUPPORT CONSULT (CPI ALTERNATIVE)	CURRENT	Year 1	Year 2	Year 3	Year 4	Final
WAGE: BSC						
Current Standard Rate	\$18.34	\$18.77	\$19.22	\$19.68	\$20.14	\$20.62
Current Incentive Rate	\$23.66	\$24.22	\$24.79	\$25.38	\$25.98	\$26.60
CPI Avg 2014-2019	2.37%					
% Change from Base	0%	2.37%	4.80%	7.28%	9.82%	12.43%

APPENDIX C – RATE CALCULATION TABLES MEDICALLY FRAGILE WAIVER

SERVICE: Home Health Aide (Med Fragile and Respite)	Rate Build Up	%
WAGE: Home Health Aide		
Annual Salary	\$24,360.00	
Hourly Rate	\$15.00	
Employee Related Expenses/Benefits	\$3.41	22.76%
Employee Salary + Benefits Per Hour	\$18.41	
HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$18.41	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$18.41	
Admin + Program Support Costs	\$7.89	30%
Hourly Admin/PS + Personnel	\$26.31	
Billable/Non-billable Factor	\$28.91	91%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$30.46	

SERVICE: Case Management – Assessment	Rate Build Up	%
WAGE: Nurse Case Manager		
Annual Salary	\$82,326.67	
Hourly Rate	\$39.58	
Employee Related Expenses/Benefits	\$9.01	22.76%
Employee Salary + Benefits Per Hour	\$48.59	
HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$48.59	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$48.59	
Admin + Program Support Costs	\$20.82	30%
Hourly Admin/PS + Personnel	\$69.41	
Billable/Non-billable Factor	\$99.16	70%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$100.72	

SERVICE: Case Management – Ongoing	Rate Build Up	%
WAGE: Nurse Case Manager		
Annual Salary	\$82,326.67	
Hourly Rate	\$39.58	
Employee Related Expenses/Benefits	\$9.01	22.76%
Employee Salary + Benefits Per Hour	\$48.59	
HCBS Subcontractor Cost Per Hour	\$ -	

Portion for Employee Costs	\$48.59	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$48.59	
Admin + Program Support Costs	\$20.82	30%
Hourly Admin/PS + Personnel	\$69.41	
Billable/Non-billable Factor	\$99.16	70%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$100.72	
Monthly Rate (5.778 hours per month)	\$581.94	

SERVICE: Private Duty Nursing (RN)	Rate Build Up	%
WAGE: Registered Nurse		
Annual Salary	\$73,965.00	
Hourly Rate	\$35.56	
Employee Related Expenses/Benefits	\$8.09	22.76%
Employee Salary + Benefits Per Hour	\$43.65	
HCBS Subcontractor Cost Per Hour		
Portion for Employee Costs	\$42.86	98%
Portion for Subcontractor Costs	\$0.77	2%
Total Hourly Personnel Cost	\$43.63	
Admin + Program Support Costs	\$18.70	30%
Hourly Admin/PS + Personnel	\$62.32	
Billable/Non-billable Factor	\$95.88	65%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$97.43	
15 Min Rate	\$24.36	

SERVICE: Private Duty Nursing – Respite (RN)	Rate Build Up	%
WAGE: Registered Nurse		
Annual Salary	\$73,965.00	
Hourly Rate	\$35.56	
Employee Related Expenses/Benefits	\$8.09	22.76%
Employee Salary + Benefits Per Hour	\$43.65	
HCBS Subcontractor Cost Per Hour		
Portion for Employee Costs	\$42.86	98%
Portion for Subcontractor Costs	\$0.77	2%
Total Hourly Personnel Cost	\$43.63	
Admin + Program Support Costs	\$18.70	30%
Hourly Admin/PS + Personnel	\$62.32	
Billable/Non-billable Factor	\$95.88	65%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$97.43	
15 Min Rate	\$24.36	

SERVICE: Private Duty Nursing (LPN)	Rate Build Up	%
WAGE: Licensed Practical Nurse		
Annual Salary	\$49,962.50	
Hourly Rate	\$24.02	
Employee Related Expenses/Benefits	\$5.47	22.76%
Employee Salary + Benefits Per Hour	\$29.49	
HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$29.49	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$29.49	
Admin + Program Support Costs	\$12.64	30%
Hourly Admin/PS + Personnel	\$42.12	
Billable/Non-billable Factor	\$64.81	65%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$66.36	
15 Min Rate	\$16.59	

SERVICE: Private Duty Nursing - Respite (LPN)	Rate Build Up	%
WAGE: Licensed Practical Nurse		
Annual Salary	\$49,962.50	
Hourly Rate	\$24.02	
Employee Related Expenses/Benefits	\$5.47	22.76%
Employee Salary + Benefits Per Hour	\$29.49	
HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$29.49	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$29.49	
Admin + Program Support Costs	\$12.64	30%
Hourly Admin/PS + Personnel	\$42.12	
Billable/Non-billable Factor	\$64.81	65%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$66.36	
15 Min Rate	\$16.59	

SERVICE: Nutritional Counseling	Rate Build Up	%
WAGE: Dietician/Nutritional Counselor		
Annual Salary	\$56,602.50	
Hourly Rate	\$27.21	
Employee Related Expenses/Benefits	\$6.19	22.76%
Employee Salary + Benefits Per Hour	\$33.41	
HCBS Subcontractor Cost Per Hour	\$72.33	

Portion for Employee Costs	\$22.27	67%
Portion for Subcontractor Costs	\$24.11	33%
Total Hourly Personnel Cost	\$46.38	
Admin + Program Support Costs	\$19.88	30%
Hourly Admin/PS + Personnel	\$66.26	
Billable/Non-billable Factor	\$82.82	80%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$84.38	
Final Rate	\$84.40 ⁸	

SERVICE: Out of Home Respite ⁹	Rate Build Up	%
WAGE: DSP - Residential		
Annual Salary	\$30,225.00	
Hourly Rate	\$15.00	
Employee Related Expenses/Benefits	\$3.41	22.76%
Employee Salary + Benefits Per Hour	\$18.41	
HCBS Subcontractor Cost Per Hour	\$ -	
Portion for Employee Costs	\$18.41	100%
Portion for Subcontractor Costs	\$ -	0%
Total Hourly Personnel Cost	\$18.41	
Admin + Program Support Costs	\$9.07	30%
Hourly Admin/PS + Personnel	\$27.48	
Billable/Non-billable Factor	\$30.54	90%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$32.09	
DSP Daily Component	\$363.72	
Bundled Nursing Component	\$101.64	
Bundled On-Call Nursing Component	\$1.48	
Bundled Nutritional Counseling Component	\$1.16	
DAILY RATE	\$468.00	

SERVICE: ALL THERAPIES (CPI ALTERNATIVE)	CURRENT	Year 1	Year 2	Year 3	Year 4	Final
WAGE: SLP/OT/PT						
Current Standard Rate	\$22.90	\$23.44	\$24.00	\$24.57	\$25.15	\$25.75
CPI Avg 2014-2019	2.37%					

⁸ Additional \$0.02 added to align Medically Fragile hourly rate with the calculated 15-minute rate in DD Waiver (see Appendix B)

⁹ Out of Home Respite Rate was created to mirror Intensive Medical Living Supports (see Appendix B), which is reflected here.

% Change from Base	0%	2.37%	4.80%	7.28%	9.82%	12.43%
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SERVICE: BEHAVIOR SUPPORT CONSULT (CPI ALTERNATIVE)	CURRENT	Year 1	Year 2	Year 3	Year 4	Final
WAGE: BSC						
Clinic Based Rate	\$11.63	\$11.91	\$12.19	\$12.48	\$12.77	\$13.08
Standard Rate	\$19.62	\$20.08	\$20.56	\$21.05	\$21.55	\$22.06
CPI Avg 2014-2019	2.37%					
% Change from Base	0%	2.37%	4.80%	7.28%	9.82%	12.43%

APPENDIX D – RATE CALCULATION TABLES MI VIA WAIVER

SERVICE: In-Home Living Supports	Rate Build Up	%
WAGE: DSP – Community/Residential & Homemaker (DSP-Residential ONLY subcontractor)		
Annual Salary	\$26,941.88	
Hourly Rate	\$15.00	
Employee Related Expenses/Benefits	\$3.41	22.76%
Employee Salary + Benefits Per Hour	18.41	
HCBS Subcontractor Cost Per Hour	\$3.79	
Portion for Employee Costs	\$ -	0%
Portion for Subcontractor Costs	\$3.79	100%
Total Hourly Personnel Cost	\$3.79	
Admin + Program Support Costs	\$1.62	30%
Hourly Admin/PS + Personnel	\$5.41	
Billable/Non-billable Factor	\$6.26	87%
TOTAL HOURLY RATE	\$6.26	
Daily Rate Minimum (4 hours per day)	\$25.04	
Daily Rate Maximum (24 hours per day)	\$150.26	

SERVICE: Consultant Services	Rate Build Up	%
WAGE: Consultant		
Annual Salary	\$47,997.50	
Hourly Rate	\$23.08	
Employee Related Expenses/Benefits	\$5.25	22.76%
Employee Salary + Benefits Per Hour	\$28.33	
HCBS Subcontractor Cost Per Hour	31.94	
Portion for Employee Costs	\$18.21	64%
Portion for Subcontractor Costs	\$11.41	36%
Total Hourly Personnel Cost	\$29.62	
Admin + Program Support Costs	\$12.69	30%
Hourly Admin/PS + Personnel	\$42.31	
Billable/Non-billable Factor	\$76.93	55%
Mileage	\$1.56	
TOTAL HOURLY RATE	\$78.48	
Monthly Rate (4 hours per month)	\$313.93	



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