

# New Mexico Department of Health Developmental Disabilities Supports Division

Rate Study and Provider Capacity Assessment Kickoff

*November 15, 2022*

# Agenda

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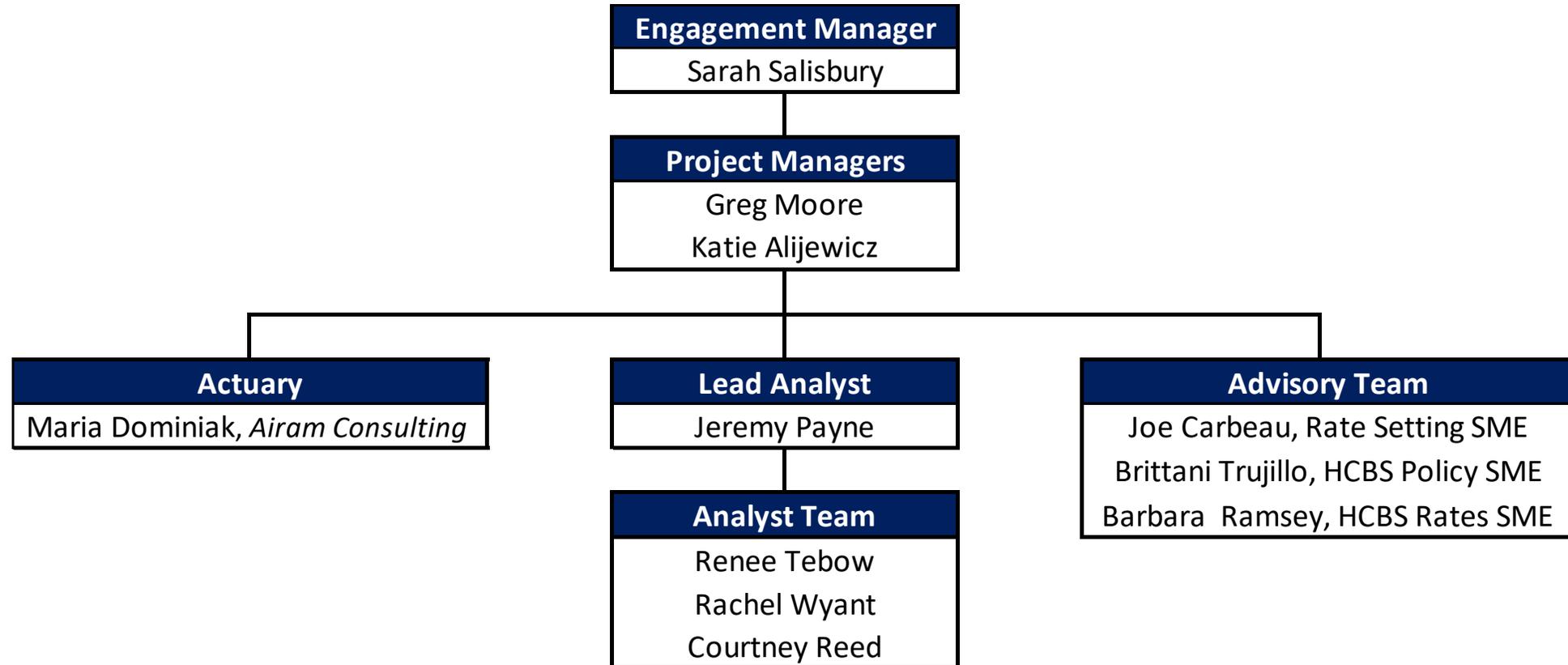
# PCG Background & Introductions

# Overview of PCG

- ❖ Founded in 1986, PCG is headquartered in Boston, MA
- ❖ Management consulting to assist public sector agencies better serve their targeted populations
- ❖ Four Practice Areas
  - Human Services
  - Health
  - Education
  - Technology Consulting



# Introduction to the PCG Team



# PCG Team Leadership



**Sarah Salisbury**  
Engagement Manager



**Katie Alijewicz**  
Project Manager – Day-to-Day Contact



**Greg Moore**  
Co-Project Manager



**Jeremy Payne**  
Lead Analyst



**Brittani Trujillo**  
Advisor



**Barbara Ramsey**  
Advisor



# New Mexico Project Team

**Name**

**Role**

**Jason Cornwell**

DDSD, Division Director

**Jennifer Rodriguez**

DDSD, Deputy Director

**Evangeline Yanez**

DDSD, Community Programs Bureau Chief

**ACQ Subcommittee for Rate Setting and Provider Capacity Assessment**

Participants, Parents, ACQ Members, providers, therapists, nurses, and representatives from the Association of Developmental Disabilities Community Providers, Case Managers Action and Advocacy Council, Mi Via Advisory Committee, Family Advisory Board, Human Services Department/Medical Assistance Division, Department of Health/Developmental Disabilities Supports Division, Community Supports Coordinators, Mi Via In-Home Living Supports vendors, Mi Via Consultant Association, the Behavior Therapy Association, and Direct Support Staff Organizations/Advocacy Organizations



# Project Plan & Timeline

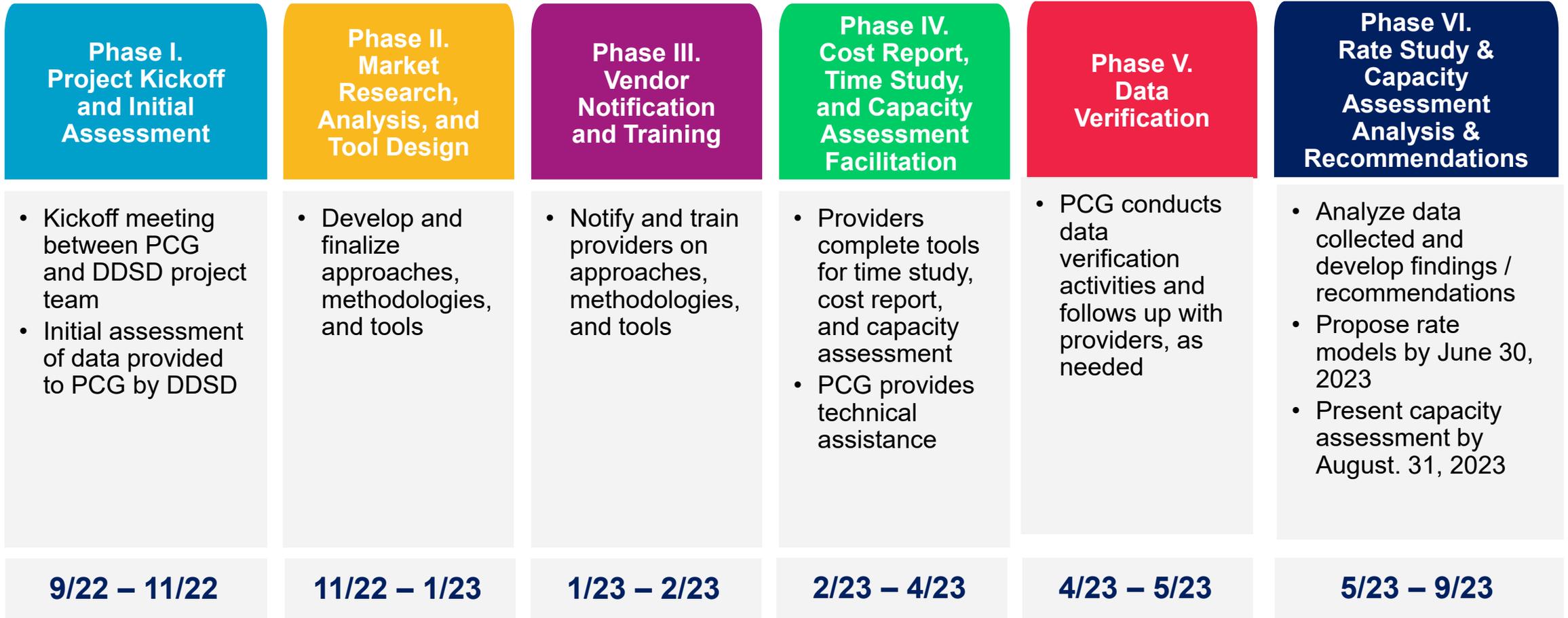
# Scope of Work

In partnership with the New Mexico Department of Health, Developmental Disabilities Support Division, PCG will conduct:

- ❖ an independent rate study to recommend reimbursement rates for the provision of services for individuals with intellectual and developmental disabilities receiving services through both the Developmental Disabilities (DD), Mi Via (MV), and Medically Fragile (MF) Waiver programs, including cost of living annual adjustments, and
- ❖ a provider capacity assessment of Home and Community Based Services waiver services for the DD, MV, and MF Waiver programs

# Project Overview

## September 2022 – September 2023



# Project Workplan & Timeline

## Phase I: Kickoff and Initial Assessment | 9/23/22-11/21/22

- ❖ Facilitated a kickoff meeting with the DDSD project team to discuss the project goals, workplan/timeline, milestones/deliverables, communication plan, and initial data request.
- ❖ Submitted initial data request and review documents
- ❖ Assessing service claims, costs, utilization, and outcome information and determine provider population to engage for data collection

## Phase II: Market Research, Analysis and Tool Design | 11/21/22-1/13/23

- ❖ Prepare first draft of approach to market research, cost report (cost instrument and personnel roster), time study tool, capacity assessment, and description of methodology, including timelines
- ❖ Obtain feedback from DDSD and make necessary changes
- ❖ Conduct focus group with this subcommittee to vet data collection tools, schedule, and methodology
- ❖ Prepare final drafts of market analysis approach, cost report , time study tool, capacity assessment, and training/data collection schedule

# Project Workplan & Timeline (cont.)

## Phase III: Vendor Notification and Training | 1/16/23-2/10/23

- ❖ Notify providers and vendors of upcoming time study, cost report, and training dates
- ❖ Draft provider training materials
- ❖ Conduct live webinars to train providers on time study and cost report

## Phase IV: Time Study and Cost Report Facilitation | 2/13/23-4/7/23

- ❖ Distribute Excel-based Time Study Tool and Cost Report
- ❖ Provide technical assistance to providers throughout survey period
- ❖ Catalog submissions and follow up with providers, as needed

## Phase V: Data Verification | 4/10/23-5/5/23

- ❖ Work with DDSD and providers to conduct data verification activities to ensure quality of results

# Project Workplan & Timeline (cont.)

## Phase VI: Analysis and Recommendations | 5/8/23-9/29/23

- ❖ Develop findings and recommendations based on results from time study, cost report, market research, and capacity assessment
- ❖ Propose rate models by end of June; capacity assessment by end of August
- ❖ Prepare reports with recommendations for DDSD and ACQ review
- ❖ Make presentations regarding the final recommendations

# Discussion of Deliverables

## ❖ Rate Study

- Develop and finalize approaches, methodologies, and tools for Market Analysis, Cost Report (Cost Instrument and Personnel Roster), and Time Study

## ❖ Capacity Assessment

- Develop and finalize approach, methodology, and tool(s)

## ❖ Provider Training & Technical Assistance

- Develop provider training materials and facilitate live webinars to train providers re: time study, cost report, and capacity assessment
- Provide technical assistance throughout survey period, including project specific email address and live “office hours” sessions

## ❖ Stakeholder Engagement

- ACQ sub-committee and provider community; provide input into the tools, processes, and recommendations

## ❖ Final Reports & Recommendations

- Comprehensive reports, inclusive of final recommendations, for both the Rate Study and Provider Capacity Assessment – PCG will gather input from ACQ sub-committee and DDSD before publishing

## ❖ Ongoing Status Meetings Between PCG and DDSD Project Team



The background is a solid blue color. It features several abstract geometric shapes, including squares and rectangles, some of which are outlined in white and others are filled with a lighter shade of blue. These shapes are scattered across the page, with a higher concentration on the left side. The text 'Rate Calculation Discussion' is positioned in the lower-left quadrant of the image.

# Rate Calculation Discussion

# Rate Calculation Overview

- The goal of any effective rate-setting methodology is to allow the provider to align the actual cost of service delivery with contract requirements.
- Cost-based rates should include all direct costs (for example, salaries related to service provision) and indirect costs (for example, rent) related to the provision of the service by the provider.
- Cost-based rates may include several components:
  - Salaries of staff associated with service delivery
  - Tax and fringe of staff associated with service delivery
  - Operating costs (mileage, facility/occupancy, supplies etc.)
  - Organizational (parent) indirect costs
- Sources of data are provided and guided by the following:
  - Provider cost and service data
  - State claiming data
  - Waiver definitions
  - State-specific and federal regulations
  - Other federal, state and program rules and regulations
  - Statewide and Regional Consumer Price Index Data

Salary Costs
+ Tax and Fringe Costs
+ Operating Costs
+ <u>Indirect Costs</u>
= Expenses for Cost-Based Rate(s)



# Rate Calculation Goals: Balancing Cost, Quality, Fairness, and Simplicity

Quality Control	Cost	Equity & Politics	Simplicity
<ul style="list-style-type: none"><li>• Services match waiver definitions</li><li>• Services produce desired outcomes</li><li>• Use of evidence-based practices</li><li>• Individualized services</li><li>• Client choice</li><li>• Provider flexibility and capacity</li></ul>	<ul style="list-style-type: none"><li>• Efficiency</li><li>• Cost containment</li><li>• Increased accountability</li><li>• Reduced fraud</li><li>• Balanced budget</li><li>• Optimizing multiple funding streams</li></ul>	<ul style="list-style-type: none"><li>• Geographical equity</li><li>• Disproportionately favoring one type of service or delivery</li><li>• Stakeholder satisfaction</li><li>• Compliance with federal or state instructions/initiatives</li><li>• Positive relationships with providers</li></ul>	<ul style="list-style-type: none"><li>• Stability from year to year</li><li>• Common rates or standard methodologies for all providers or certain provider types</li><li>• Limited reporting requirements</li></ul>



# Possible Rate Calculation Steps

## Identify the Weighted Salary Cost Per Service

- Match time study results for each position to corresponding salary figures. Calculate the weighted salary used to deliver each service based on the time study results reported.

## Determine Other Costs

- Using aggregated provider financial data, calculate the percentage of total cost for each line item. This may include “unbillable” time for necessary activities such as report writing and travel time.

## Apply Other Costs to Rate

- Add other costs to the weighted salary cost per service. The contributions of each other cost to the rate can be modified to determine alternative rate structures.



# Data Collection Tool Examples



# Time Study Example

	Hour of the Day	# HCBS Jackson Class Individuals Receiving Services	County	Activity (mark with an "x")	Activity Column 1 (Billable to a Waiver)	Activity (mark with an "x")	Activity Column 2 (Unbillable to a Waiver)
Day 1	1	0	Bernalillo	x	DD Waiver - Supported Living, Category 2 Moderate Support		
	2	0	Bernalillo	x	DD Waiver - Supported Living, Category 2 Moderate Support		
	3	0	Bernalillo	x	DD Waiver - Supported Living, Category 2 Moderate Support		
	4	0	Bernalillo	x	DD Waiver - Supported Living, Category 2 Moderate Support		
	5	0	Bernalillo	x	DD Waiver - Supported Living, Category 2 Moderate Support		
	6	0	Bernalillo	x	DD Waiver - Supported Living, Category 2 Moderate Support		
	7	0	Bernalillo	x	DD Waiver - Supported Living, Category 2 Moderate Support		
	8	0	Bernalillo	x	DD Waiver - Supported Living, Category 2 Moderate Support		
	9	0	Bernalillo	x	DD Waiver - Supported Living, Category 2 Moderate Support		
	10	0	Bernalillo	x	DD Waiver - Supported Living, Category 2 Moderate Support		
	11	0	Bernalillo			x	Report Writing/Progress Notes
	12	0	Bernalillo			x	Report Writing/Progress Notes
	13						
	14						
	15						

Each day is broken down into components

Drop down options to facilitate activities that can be billed to a waiver



# Cost Report Example

<i>Personnel</i>					
	<b>Provider Total FTEs</b>	<b>Developmental Disabilities FTEs</b>	<b>Medically Fragile FTEs</b>	<b>Mi Via FTEs</b>	<b>HCBS Program FTEs</b>
Employee FTEs					-
Employee FTEs Vacant					-
	<b>Provider Hours Per Employee</b>	<b>Developmental Disabilities Waiver Hours Per Employee</b>	<b>Medically Fragile Waiver Hours Per Employee</b>	<b>Mi Via Waiver Hours Per Employee</b>	<b>HCBS Program Total Hours Per Employee</b>
Holiday Hours					\$ -
Vacation Hours	0				\$ -
Sick Hours	0				\$ -
Training Hours					\$ -
<b>Total Paid Non-Working Hours</b>					
	<b>Provider Total \$</b>	<b>Developmental Disabilities Waiver \$</b>	<b>Medically Fragile Waiver \$</b>	<b>Mi Via Waiver \$</b>	<b>HCBS Program Total \$</b>
Direct Service Salaries					\$ -
Administrative Salaries					\$ -
Personnel Taxes					\$ -
Workers' Compensation					\$ -
Healthcare					\$ -
Retirement					\$ -
Other Fringe Benefits					\$ -
<b>Total Personnel Expenses</b>					



# Cost Report Example

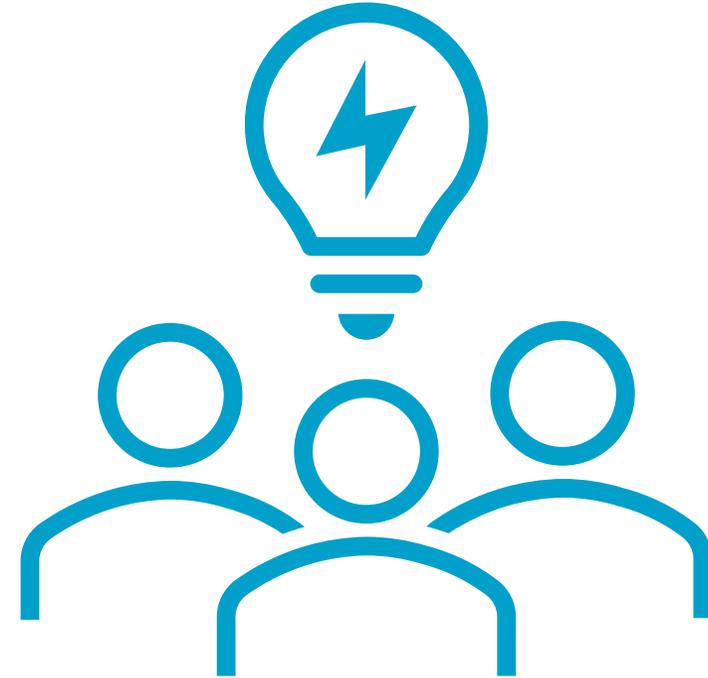
Other Expenses					
	Provider Total \$	Developmental Disabilities Waiver \$	Medically Fragile Waiver \$	Mi Via Waiver \$	HCBS Program Total \$
Mileage					\$ -
Occupancy/Facility					\$ -
Supplies					\$ -
Equipment					\$ -
Liability Insurance					\$ -
Translation/Interpretation/Accommodation Services					\$ -
HCBS Subcontractor					\$ -
Training					\$ -
Transportation					\$ -
Travel					\$ -
Depreciation					\$ -
Gross Receipts Tax					\$ -
Other Operating Expenses					\$ -
Indirect (from Parent Organization)					\$ -
<b>Total Other Expenses</b>					\$ -



# Stakeholder Engagement

# ACQ Subcommittee Engagement

- ❖ PCG will ask for your input on behalf of the group you represent as our work progresses. Examples of areas where we may ask for your input include:
  - The rate study and provider capacity assessment tools/surveys as we design them for NM and these services;
  - Communication strategies that would facilitate information flow from providers directly to PCG;
  - Draft documents and recommendations



# Contact Us

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# Questions & Comments





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**Solutions that Matter**