

# New Mexico Department of Health Developmental Disabilities Supports Division

PART 1: Rate Study Foundations

*January 10, 2023*

## Objectives for PART 1: Rate Study Foundations

- ❖ Introduce how a Rate Study works, including definitions and tool examples
- ❖ Understand which rates are included in rate study by waiver

## What is a Rate Study?

- ❖ A **Rate Study** collects **provider data** on all the costs – both billable and unbillable – and time associated with providing a service.
  - ❖ **Billable time** is when a service is being provided.
  - ❖ **Unbillable** time (for example, report writing, travel) is necessary for service provision. Providers spend time and money on unbillable activities.

*\*A rate can only be paid to a provider or vendor for billable time*

- ❖ Provider data is then used to build a rate that covers provider costs in the payments they receive for their billable time.

## Provider Data Collection

- ❖ Provider data is collected by two (2) Excel tools:
  - ❖ A Time Study Tool
  - ❖ A Cost Report Tool
    - ❖ A Cost Instrument
    - ❖ A Personnel Roster

## Time Study Tool

- ❖ Asks employees of the provider (or asks vendors) to report how they spend their day.
- ❖ Populated with options to help fill out the tool.
- ❖ Goal is to ensure the recommended rate paid for billable time covers all the unbillable time necessary to provide the service.

# Time Study Tool

- ❖ This is filled out to account for the time spent on all activities associated with the services in the scope of the study.

START TIME				END TIME				ACTIVITY DETAIL	
Start hour	Start minute	AM/PM	Time	End hour	End minute	AM/PM	Time	Duration	Type of Activity - Billable or Unbillable (Drop-Down)
9	00	AM	9:00 AM	10	00	AM	10:00 AM	1:00	Billable
10	00	AM	10:00 AM	11	00	AM	11:00 AM	1:00	Billable
11	00	AM	11:00 AM	12	00	PM	12:00 PM	1:00	Billable
12	00	PM	12:00 PM	1	00	PM	1:00 PM	1:00	Billable
1	00	PM	1:00 PM	2	00	PM	2:00 PM	1:00	Billable
2	00	PM	2:00 PM	3	00	PM	3:00 PM	1:00	Unbillable
3	00	PM	3:00 PM	4	00	PM	4:00 PM	1:00	Unbillable
4	00	PM	4:00 PM	5	00	PM	5:00 PM	1:00	Unbillable
			:0				:0		

Each row is a consistent unit of time for all using the tool (We will discuss this in our session today).

If the person is providing a service, they select "billable." If they are doing other activities, they select "unbillable."

# Time Study Tool

- ❖ This is filled out only to account for the time spent on activities associated with the services in the scope.
- ❖ There are drop downs here to help input.

ACTIVITY DETAIL	
Duration	Type of Activity - Billable or Unbillable
1:00	Billable
1:00	Unbillable
1:00	Unbillable
1:00	Unbillable

DIRECT SERVICE ACTIVITIES				
Developmental Disabilities Waiver	Medically Fragile Waiver	Mi Via Waiver	Location (Drop-Down)	County Where Service Was Provided (Drop-Down)
			Client's Home	Curry
			Provider office	Curry
			Place of Employment	Curry
			Virtual	Curry

INDIRECT ACTIVITIES
Other Activities - Unbillable to Waiver (Drop-Down)
Other Admin
Employee Training/Professional Development
Report Writing/Progress Notes



## Cost Report Tool

- ❖ Asks providers (or vendors) about all their revenues and costs including personnel wages and taxes, health care and similar benefits, transportation, and more.
- ❖ Goal is to ensure the recommended rate includes accurate costs.
- ❖ Includes two components:
  - ❖ Cost Instrument – this collects non-personnel costs
  - ❖ Personnel Roster – this collects personnel information

# Cost Report: Cost Instrument Example

❖ This is to ensure that staff costs are all accounted for in the rate.

“What is an FTE?”

Full Time Equivalent (FTE) is the number of 40 hour a week staff for a given amount of time.

For this task, you can take the total hours worked in a year and divide by 2,080 to get the number of FTEs.

	Provider FTEs	DD FTEs	MF FTEs	Mi Via FTEs	HCBS Total FTEs
Direct Service Employee					-
Admin and Support Employee					-
Independent Contractor Direct Service					-
Independent Contractor Admin and Support					-
<b>Total FY22 FTEs</b>	-	-		-	-
				TRUE	-
Vacancies					-
<b>Total FY22 FTEs + Vacancies</b>	-	-		-	-
Notes/Comments					

	Provider Average Days	DD Average Days	MF Average Days	Mi Via Average Days	HCBS Total Average
Holidays (Federal, Postal, etc.)					-
Vacation Days (Or PTO if they are combined)					-
Sick Days (if separate from Vacation)					-
Training					-
<b>Total FY22 Paid Non-Working Days for One Person</b>	-	-		-	-
Notes/Comments					

	Provider Total \$	DD Waiver \$	MF Waiver \$	Mi Via Waiver \$	HCBS Program Total \$
Direct Service Employee Salaries					-
Taxes, Fringe, and Other Direct Service Personnel Costs					-
Admin and Support Employee Salaries					-
Taxes, Fringe, and Other Admin and Support Personnel Costs					-
Direct Service Independent Contractor Costs					-
Admin or Support Independent Contractor Costs					-
<b>Total FY22 Personnel Expenses</b>	\$0.00	\$0.00		\$0.00	\$0.00
				TRUE	\$0.00



# Cost Report: Cost Instrument Example

- ❖ This is to ensure that costs other than direct care staff costs are accounted for in the rate.
- ❖ In the next session, we will discuss whether there are costs that aren't accounted for here.

	DD Waiver Costs \$	MF Waiver Costs \$	Mi Via Waiver Costs \$	HCBS Program Total Costs \$
<b>Administrative Cost Allocation</b> (Please describe)				\$ -
<b>Rent/Mortgage</b>				\$ -
<b>Building and Grounds Maintenance and Repairs</b>				\$ -
<b>Telephone/Internet</b>				\$ -
<b>Utilities</b>				\$ -
<b>Insurance</b>				\$ -
<b>Security</b>				\$ -
<b>Advertising &amp; Public Relations</b>				\$ -
<b>Child Find/Public Awareness Materials</b>				\$ -
<b>Special Events</b>				\$ -
<b>Background Checks</b>				\$ -
<b>Educational &amp; Recreational Supplies</b>				\$ -
<b>Equipment/ Furniture</b>				\$ -
<b>Document Translation Services</b>				\$ -
<b>Information Technology</b>				\$ -
<b>Membership Dues and Subscriptions</b>				\$ -
<b>Office Supplies</b>				\$ -
<b>Postage, Mailing, Printing, and Photocopy Expenses</b>				\$ -
<b>Assistive Technology Equipment</b>				\$ -
<b>Interpreter/Translation Services</b>				\$ -
<b>Tele-Health/Tele-Intervention Related Expenses</b>				\$ -
<b>Training and Professional Development</b>				\$ -
<b>Staff Mileage Reimbursement</b>				\$ -
<b>Other Staff Travel (Public Transport., Ride Sharing, etc.)</b>				\$ -
<b>Agency Vehicle (Purchases, Maintenance)</b>				\$ -
<b>Agency Vehicle (Leases, Leased Vehicle Maintenance)</b>				\$ -
<b>Parent Mileage, Child/Family Transportation, and Other Travel</b>				\$ -
<b>COVID-Related PPE (Cleaning Items, Subscriptions, Services, etc.)</b>				\$ -
<b>Other Professional Services (Cleaning, Accounting, etc.)</b>				\$ -
<b>Other Expenses</b> (Please Describe)				\$ -

# Cost Report: Personnel Roster

- ❖ This tool helps identify the staffing structure and personnel costs
- ❖ Includes all staff who directly provide these services. supervise or indirectly support the services including finance, admin staff, and leadership.
- ❖ PCG uses this to determine if the going salary is in-line with the same or similar occupations in the region.

<b>First Name or ID Number/Mnemonic</b>
<b>Employee Type (Drop-Down)</b>
<b>Actual Title</b>
<b>Supervisor (Drop-Down)</b>
<b>Bi-Lingual Status, if Applicable (Drop-Down)</b>
<b>Highest Education Reached (Drop-Down)</b>
<b>Professional Licensure(s)</b>
<b>Additional Certification(s)</b>
<b>Start/Hire Date</b>
<b>End/Term Date, if applicable</b>
<b># Hours Paid Annually (in SFY22)</b>
<b>Total Annual Salary or Amount Paid (in SFY22)</b>
<b>Total Annual Taxes &amp; Fringe Benefits Paid (in SFY22)</b>
<b>% Time Allocated to Developmentally Disabled Waiver Services</b>
<b>% Time Allocated to Medically Fragile Waiver Svcs</b>
<b>% Time Allocated to Mi Via Waiver Svcs</b>
<b>% Time Allocated to Admin or Support</b>
<b>% Time Allocated to Other (Non-billable time)</b>



# Rate Study Considerations

- ❖ Rate studies aim to consider all factors below to develop a consistent rate paid to all providers for the same service:

- ❖ **Billable Time Considerations**

- ❖ Base Wages

- The amounts paid to direct support staff, excluding benefits and taxes, for time spent providing services

- ❖ Benefit Costs

- The amounts paid for employee benefits (including health care, vision, etc.)

# Rate Study Considerations

- ❖ In addition to **Billable Time Considerations** listed on the previous slide, there are also these **Unbillable Time Considerations**:
  - ❖ Base Wages and Benefits
    - Costs associated with “unbillable” time spent by direct care staff in support of providing services (example, report writing, travel)
  - ❖ Paid Time Off/Holidays
    - There are costs associated with providing holidays, vacation, training, sick leave/ sick time
  - ❖ Administrative Overhead
    - Costs related to operations and not direct service provision (e.g., administrative staff, executive leadership, accounting, human resources, office supplies, rent)
  - ❖ Program Support Costs
    - Costs that are neither administrative or direct care; program-specific but not billable (e.g., program development, quality assurance, training of direct care staff).



## Rates included in Scope - DD Waiver

- ❖ Services in the scope of the study included from the **DD Waiver** are listed here and on the next slide:

Service Title	Service Code
Assistive Technology (Purchasing Agent Service)	T2028-HB
Behavioral Support Consultation, Standard	2019-HB TN
Behavioral Support Consultation, Incentive	H2019-HB
Case Management	T2022-HB
Customized Community Support, Individual	H2021-HB U1
Customized Community Support, Individual Intensive Behavioral Support	H2021-HB TG
Customized Community Supports Group A-D	T2021-HB U7
Customized Community Supports Group E-G	T2021-HB U8
Customized Community Supports Group Community Only	T2021-HB U9
Customized In-Home Supports, Living with Family or Natural Supports	S5125-HB
Customized In-Home Supports, Living Independently	S5125-HB UA
Family Living	T2033-HB
Supported Living, Category 1 Basic Support	2016-HB U4
Supported Living, Category 2 Moderate Supports	2016-HB U5
Supported Living, Category 3 Extensive Support	2016-HB U6



## Rates included in Scope - DD Waiver Con't.

- ❖ Services in the scope of the study included from the **DD Waiver** are listed here, continued from the previous slide:

Service Title	Service Code
Adult Nursing Services, RN	T1002-HB
Adult Nursing Services, LPN	T1003-HB
Respite	T1005-HB
Socialization and Sexuality Education, Standard	S9446-HB
Socialization and Sexuality Education, Incentive	S9446-HB TN
Occupational Therapy, Standard	G0152-HB G0
Occupational Therapy, Incentive	G0152-HB TN
Occupational Therapy Assistant, Standard	G0158-HB TN
Physical Therapy, Standard	G0151-HB GP
Physical Therapy, Incentive	G0151-HB TN
Physical Therapy Assistant (PTA), Standard	G0157-HB HM
Physical Therapy Assistant (PTA), Incentive	G0157-HB TN
Speech, Language Pathology, Standard	G0153-HB GN
Speech, Language Pathology, Incentive	G0153-HB TN
Community Integrated Employment Job Maintenance	2025-HB UA



# Rates included in Scope - Medically Fragile (MF) Waiver

❖ Services in the scope of the study included from the **MF waiver**:

<b>Service Title</b>	<b>Service Code</b>
Case Management Ongoing	T2022
Home Health Aide	S9122
Home Health Aide—Respite	S9122
Private Duty Nursing—RN	T1002
Private Duty Nursing—RN Respite	T1002- U1
Private Duty Nursing—LPN	T1003
Private Duty Nursing—LPN Respite	T1003- U1



# Rates included in Scope - Mi Via Waiver

❖ Services in the scope of the study included from the **Mi Via Waiver**:

<b>Service Title</b>	<b>Service Code</b>
Residential Support Family Living In Home Living Supports	T2033
Community Direct Support	H2021
Technology for Safety and Independence	T1999-U3
Personal Support Companion/Homemaker	99509
Non-Emergency Transportation Mile	T2049
Speech Therapy	G0153
Customized Community Group Support	S5100
Physical Therapy Clinic/Office, Mi Via/Medically Fragile (MVMF)	G0151
Occupational Therapy Clinic/Office (MVMF)	G0152
Behavior Support Consultant (MVMF)	H2019
RN Services (MVMF)	T1002
Respite sub care (aide/LPN/RN) (MV)	T1005
Waiver Services Not Otherwise Specified Consultants	T2025
Employer of Record	New



# Questions & Comments



# New Mexico Department of Health Developmental Disabilities Supports Division

PART 2: Discussion and Feedback on Draft Tools &  
Methodology

*January 10, 2023*

# Project Overview

## September 2022 – September 2023

❖ We are currently midway through Phase II, on schedule

Phase I. Project Kickoff & Initial Assessment	Phase II. Methodology & Tool Design	Phase III. Vendor Notification & Training	Phase IV. Cost Report, Time Study, & Capacity Assessment Facilitation	Phase V. Data Verification	Phase VI. Rate Study & Capacity Assessment Analysis & Recommendations
<ul style="list-style-type: none"><li>• Kickoff meeting between PCG and DDSD project team</li><li>• Initial assessment of data provided to PCG by DDSD</li></ul>	<ul style="list-style-type: none"><li>• Develop and finalize approaches and tools for rate study and capacity assessment</li></ul>	<ul style="list-style-type: none"><li>• Notify and train providers on approaches and tools</li></ul>	<ul style="list-style-type: none"><li>• Providers complete tools for time study, cost report, and capacity assessment</li><li>• PCG provides technical assistance</li></ul>	<ul style="list-style-type: none"><li>• PCG conducts data verification activities and follows up with providers, as needed</li></ul>	<ul style="list-style-type: none"><li>• Analyze data collected and develop findings</li><li>• Propose rate models by June 30, 2023</li><li>• Present capacity assessment by August. 31, 2023</li></ul>
9/22 – 11/22	11/22 – 1/23	1/23 – 2/23	2/23 – 4/23	4/23 – 5/23	5/23 – 9/23



# Overview of Rate Study Methodology

PCG's Rate Study will rely on providers/vendors completing the following tools:

- ❖ **Cost Report**

- ❖ Cost Instrument

- ❖ Will ask about revenue, personnel expenses, and other expenses associated with providing the services in this scope in State Fiscal Year (SFY) 2022

- ❖ Personnel Roster

- ❖ Will ask about all employees *and* contractors that delivered services in the scope of this project or supported those services in SFY 2022

- ❖ **Time Study**

- ❖ Will ask employees of the provider/vendors to report how they spend their day.

Together, these tools enable PCG to:

- ❖ Understand the true cost of service delivery
- ❖ Compare Salary by position across the state
- ❖ Compare experience, education, certifications/licensure and retention
- ❖ Assess whether salaries are in line with regional and national comparisons



# Items to Discuss Today

Over the next several slides, we will lead discussions about the following areas:

## 1. Professions and Position Titles

- ❖ PCG has identified the professions and position titles qualified to deliver the services in the scope based on waiver requirements. Are there position titles that better reflect practice?

## 2. Time Study

- ❖ The unit of time must be consistent across all providers. Does using 15-minute increments allow each provider group to accurately capture the time it takes to provide a service?

## 3. Cost Instrument

- ❖ Are there any categories of non-personnel costs we need to add?

## 4. The Process

- ❖ PCG will host training webinars, recording of which will be shared w/ other training resources
- ❖ PCG will provide technical assistance throughout the cost report, time study, and capacity assessment.
- ❖ Are there any other process considerations that PCG should make?

# List of Professions

- ❖ These are the professions and position titles qualified to deliver the services in the scope based on waiver requirements. See slides 14 – 17 for services that are in scope.

❖ Are there different and/or additional position titles that better reflect practice?

<b>Position Titles</b>
Behavior Support Consultant
Certified Occupational Therapy Assistant
Driver
Health Education Specialist
Home Health Aide
Home Health/Personal Care Aide
Human and Social Service Assistant
Human Resource Assistant
Individual Behavioral Support Consultation Provider
Licensed Independent Occupational Therapist
LPN
Occupational Therapist
Physical Therapist
Physical Therapy Assistant
Purchasing Agent
RN
Social Worker
Speech Language Pathologist



# Time Study Tool

❖ Providers and vendors will be asked to account for the time they spend providing the services in the scope of this study and for the time they spend completing unbillable supporting activities.

❖ Would a 15-minute increment allow each provider group to accurately capture the time it takes to provide a service?

❖ The unit of time in the tool must be consistent across all providers; the example below uses a one-hour unit.

START TIME				END TIME				ACTIVITY DETAIL	
Start hour	Start minute	AM/PM	Time	End hour	End minute	AM/PM	Time	Duration	Type of Activity - Billable or Unbillable (Drop-Down)
9	00	AM	9:00 AM	10	00	AM	10:00 AM	1:00	Billable
10	00	AM	10:00 AM	11	00	AM	11:00 AM	1:00	Billable
11	00	AM	11:00 AM	12	00	PM	12:00 PM	1:00	Billable
12	00	PM	12:00 PM	1	00	PM	1:00 PM	1:00	Billable
1	00	PM	1:00 PM	2	00	PM	2:00 PM	1:00	Billable
2	00	PM	2:00 PM	3	00	PM	3:00 PM	1:00	Unbillable
3	00	PM	3:00 PM	4	00	PM	4:00 PM	1:00	Unbillable
4	00	PM	4:00 PM	5	00	PM	5:00 PM	1:00	Unbillable
			:0				:0		



# Cost Report

- ❖ Providers and vendors will be asked to identify non-personnel costs for the services in the scope of this project. We will use the list of expense categories below to account for all costs.

❖ Are there any categories we need to add to non-personnel costs?

<b>Non-Personnel Costs</b>	
Administrative Cost Allocation (Please describe)	Membership Dues and Subscriptions
Rent/Mortgage	Office Supplies
Building and Grounds Maintenance and Repairs	Postage, Mailing, Printing, and Photocopy Expenses
Telephone/Internet	Assistive Technology Equipment
Utilities	Interpreter/Translation Services
Insurance	Tele-Health/Tele-Intervention Related Expenses
Security	Training and Professional Development
Advertising & Public Relations	Staff Mileage Reimbursement
Special Events	Other Staff Travel (Public Transport., Ride Sharing, etc.)
Background Checks	Agency Vehicle (Purchases, Maintenance)
Educational & Recreational Supplies	Agency Vehicle (Leases, Leased Vehicle Maintenance)
Equipment/ Furniture	Parent Mileage, Child/Family Transportation, and Other Travel
Document Translation Services	COVID-Related PPE (Cleaning, Subscriptions, Services, etc.)
Information Technology	Other Professional Services (Cleaning, Accounting, etc.)
www.publicconsultinggroup.com	Other Expenses (Please Describe)



# The Process

❖ Are there any considerations to this timeline or process?

- ❖ In late January, PCG will notify providers of the process and timeline below
- ❖ In February, PCG will host:
  - ❖ 2 training webinars for the cost report, open to all providers, with 1 of the 2 tailored to Mi Via (based on our last engagement with NM)
  - ❖ 3 training webinars for the time study, open to all providers, with 1 of the 3 tailored to Mi Via
- ❖ **A recording of each training** will be shared along with other training resources
- ❖ Providers will complete the tools over a five-week period beginning in late February through the end of March
- ❖ PCG will provide technical assistance throughout the cost report and time study.

# Questions & Comments



# Contact Us

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