



January 22, 2019

To providers participating in the Rate Study,

This letter is to notify all Developmental Disabilities (DD) Waiver, Mi Via Waiver (MV) and Medically Fragile (MF) Waiver providers, vendors and consultants participating in the rate study that after much thought, deliberation and feedback, the Developmental Disabilities Supports Division (DDSD) and Medical Assistance Division (MAD) have decided to use a time study methodology, across all waivers and services, to collect data required for productivity assumption, rate analysis and rate build up. We have heard your concerns and while a time study will be used, we are going to hold small focus group meetings in January to assure we continue to hear and incorporate your feedback in the actual time study process. Given some of the feedback already, we will be utilizing a sample size of 60% instead of 100%, and there is room for further discussion to see how else we can make the process accurate and realistic.

We recognize and appreciate that ACQ Rate Study Subcommittee members participated in an online survey to provide us with feedback on three (3) options for data collection. The options presented were: 1) a time study, 2) a survey, and 3) the Bureau of Labor Statistics (BLS) wages and salaries data. The majority of responses selected the survey option, however, the time study and BLS data were also selected. Outside of the survey, provider feedback to the State also indicated that use of a survey or the BLS information would not be conducive for collecting the information relevant for the rate study, and that a time study would be the preferred data collection tool.

Additionally, MAD and DDSD have been in communication with the Centers for Medicare and Medicaid Services (CMS) related to challenges and concerns brought to the State by the ACQ Rate Study Subcommittee and several large DD Waiver provider agencies who expressed concerns about participating in the time study. CMS acknowledged that "time studies are an effective and recommended method for evaluating productivity assumptions." Additionally, CMS cautioned that "other methods may not be as robust as the methods currently being employed by the state and therefore could leave the state vulnerable in an audit." The time study is the prevailing methodology used for rate studies and is seen as a reliable source for determining the percentage of staff productivity.

Time Study Methodology

PCG will use the productivity data obtained from the time study to inform rates. The method or "formula" that PCG will use is in line with the CMS rate methodology guidance that was provided to the subcommittee. PCG is also developing a step by step rate methodology guide to inform the stakeholders of how the data will be used and what the rate build up will look like.

A time study allows providers to document billable and non-billable time that will inform the state not only of how staff are specifically spending their time, but whether the state's requirements exceed the time feasible for staff to complete them. Over the past several years, the State has heard from providers that program requirements are burdensome and costly to implement. Information obtained through time studies is valuable and will provide information to the state to address these concerns. Additionally, the data collected will be used to analyze rates, inform the rate build up and recommendations, inform programmatic requirements, and understand efficiencies. Time studies reveal how time is being spent and identify differences between providers and service types.

In addition to looking at the units and utilization by discipline and service category, the time study also provides valuable data to allow the State and the providers to better understand the trends, for example, time spent in travel status, working on administrative tasks, writing reports, training, or geographic distribution of time. Prior to the development of rate recommendations, PCG will be sharing specific time study findings with the State and rate study subcommittee to validate the information and highlight some of the trends.

The time study will allow for a valid sample of 60% participation of staff from all provider agencies, down from the original 100% participation requirement. Providers are expected to participate to meet provider responsibilities and comply with program direction.

Next Steps

1. Focus groups based on waiver and unit type (daily, monthly, hourly, 15 minutes, etc.) have been scheduled for **January 29 and January 30** to collect additional information to refine the time study tools. The current time study tools will be sent to providers in advance by January 23 to allow providers to pre-review the tools and prepare feedback for the January 29 and 30 focus group meetings.

In order for the state to meet the June 30, 2019 deadline for completion of this rate study, the time study tools will need to be finalized in early February, shortly after the focus group meetings.

2. Provider staff have the option to choose from the following revised time study periods:
Option 1: February 11 – 24, 2019
Option 2: February 25 – March 10, 2019

Staff do not need to participate in both time study periods and may choose the option that works best with their schedules.

We look forward to working with the focus groups to review and revise the time study tools. We appreciate in advance your participation and commitment to moving forward with a time study.


Jim Copeland, DDS Director


Nicole Comeaux, MAD Director