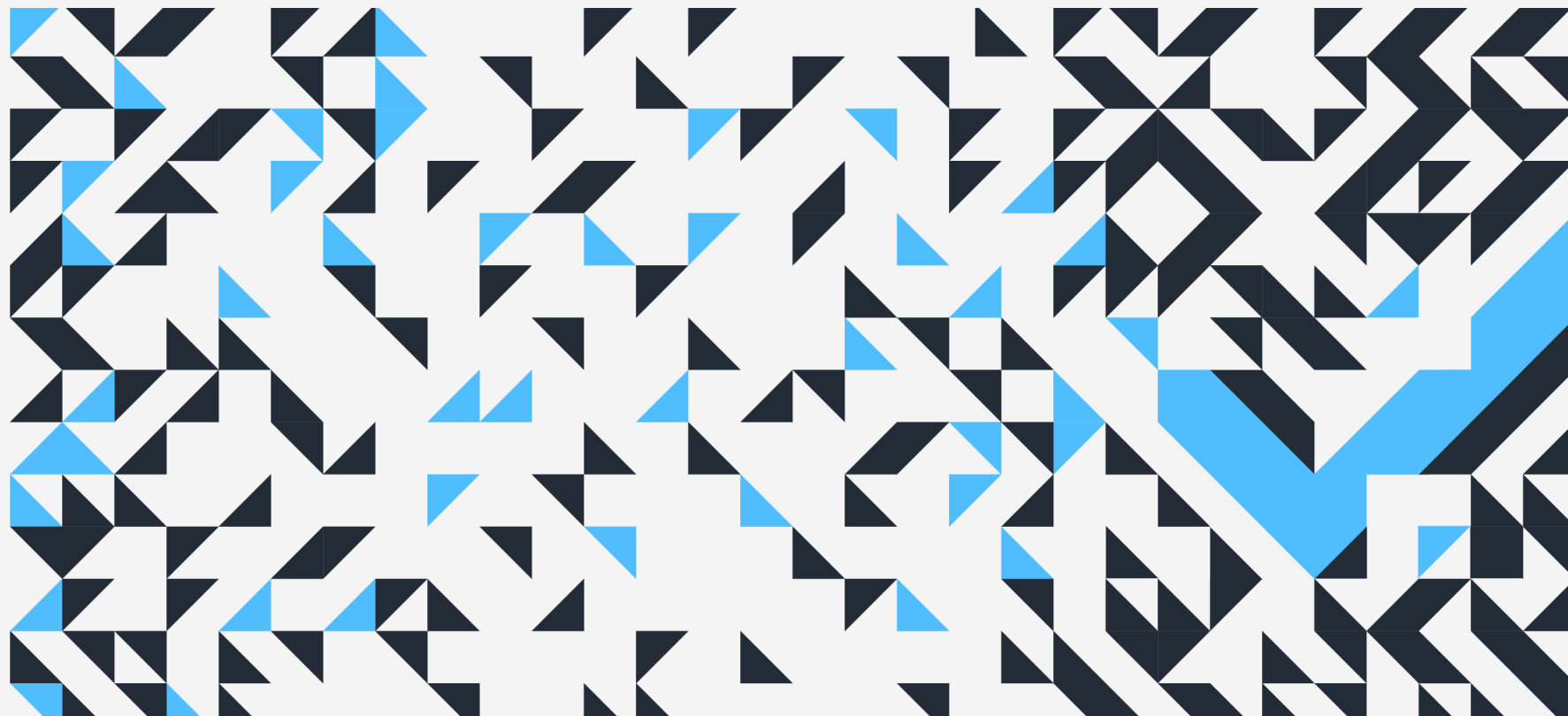


HI HCBS Rate Study – Assisted Living Facilities Provider Workgroup Meeting

April 26, 2023

State of Hawai'i Med-QUEST Division (MQD)



Agenda

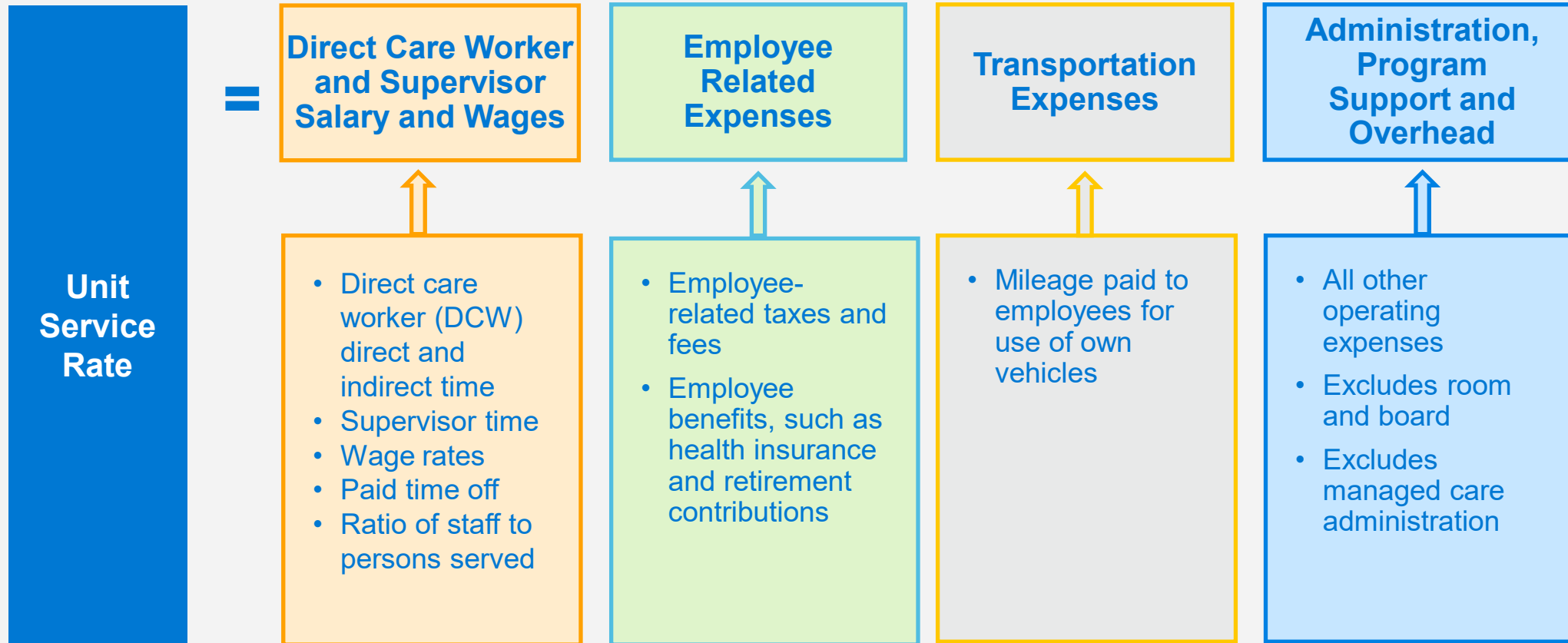
- 1** Introductions
- 2** Rate Development Discussion
- 3** Background on Assisted Living Services in Hawai`i
- 4** Next Steps



Rate Development Discussion

Potential Approach 1: Independent Rate Model Framework

Rate Build Up Components



The independent rate model can account for shift-based staffing and the necessary resources to provider services within an assisted living facility.

Potential Approach 2: Rate Composite

An alternative “rate composite” approach is based on the Medicaid rates for a package of HCBS services comparable to those provided at an Assisted Living facility; example service mix is demonstrated below (*illustrative only*):

Example Rate Composite	Example Composite Service Units	Example Daily Rate Component
Attendant Care – Agency	1.5 hours per day	\$22.00
Home Maker – Agency	1 hour per day	\$18.00
Skilled Nursing (mix of LPN and RN)	0.5 hour per day	\$32.00
Adult Day Service	1 hour per day	\$15.00
Meals (2 meals)	2 meals per day	\$11.00
Non-Medical Transportation (0.3 trips, 2 miles per trip)	0.6 miles per day	\$1.90
Illustrative Daily Rate (<i>not actual rate calculation</i>)	Per day	\$99.90
Illustrative Monthly Rate (<i>not actual rate calculation</i>)	30.4 days per month	\$3,036.96

MQD may also consider a market-based/negotiated rate setting approach where rates are based on non-HCBS rates (e.g., a percent of Medicaid nursing home rates) or commercial benchmarks

Rate Model Considerations

Independent Rate Model

- Provides transparency as to the reasonable expected costs required to provide the service
- Facilitates comparison of actual costs of providing services
- Uses independent factors that are not limited by reported historical costs
- Limits administrative overhead or margin
- Intended to establish standardized rates with potential regional and resident level adjustments (not intended to result in unique rates for each provider or resident)
- Aligns with anticipated staffing and resource requirements, including any adjustments to the different acuity levels

Rate Composite

- Uses mix of other HCBS service rates to develop the assisted living facility rate
- May require new rates or use proxy rates from similar programs, if a QI service rate is not available (e.g., state plan or DD waiver)
- Aligns the acuity/level requirements with changes in service assumptions (e.g., less nursing time for someone assigned a Level 1 over Level 2)
- Minimizes the use of cost reports to account for complexities of assisted living facility operations
- Rate is not limited to the allocation of total facility costs to each resident day

Both approaches have been approved by CMS and are being used by other states; HCBS rates must exclude room and board costs.

Background on Assisted Living Services in Hawai`i

Open Discussion

What are the common HCBS services provided in an assisted living facility beyond what is listed below?

- **Transportation**
- **Personal assistance (level I) – home maintenance / homemaker**
- **Personal assistance (level II) – activities of daily living and health maintenance**
- **Private duty nursing**
- **Meals**

Next Steps

Next Steps

- Stakeholders are encouraged to send any additional feedback about the topics covered today to HI.HCBS.Survey@Milliman.com
- Milliman will review all feedback discussed today and submitted via email for future rate model adjustments
- Milliman will review the stakeholder feedback and review against the provider survey results to form preliminary residential rate recommendations
- Next stakeholder meeting will be held virtually in May 2023

Thank you!

Limitations

The information contained in this presentation has been prepared for the State of Hawai`i Med-QUEST (MQD) and is subject to the terms of Milliman's contract with Med-QUEST signed on July 1, 2020.

This presentation is intended to facilitate an April 26, 2023 home and community-based services (HCBS) provider stakeholder meeting with MQD on HCBS rate study considerations, and is not considered complete without oral comment. The contents of this presentation are not intended to represent a legal or professional opinion or interpretation on any matters.

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