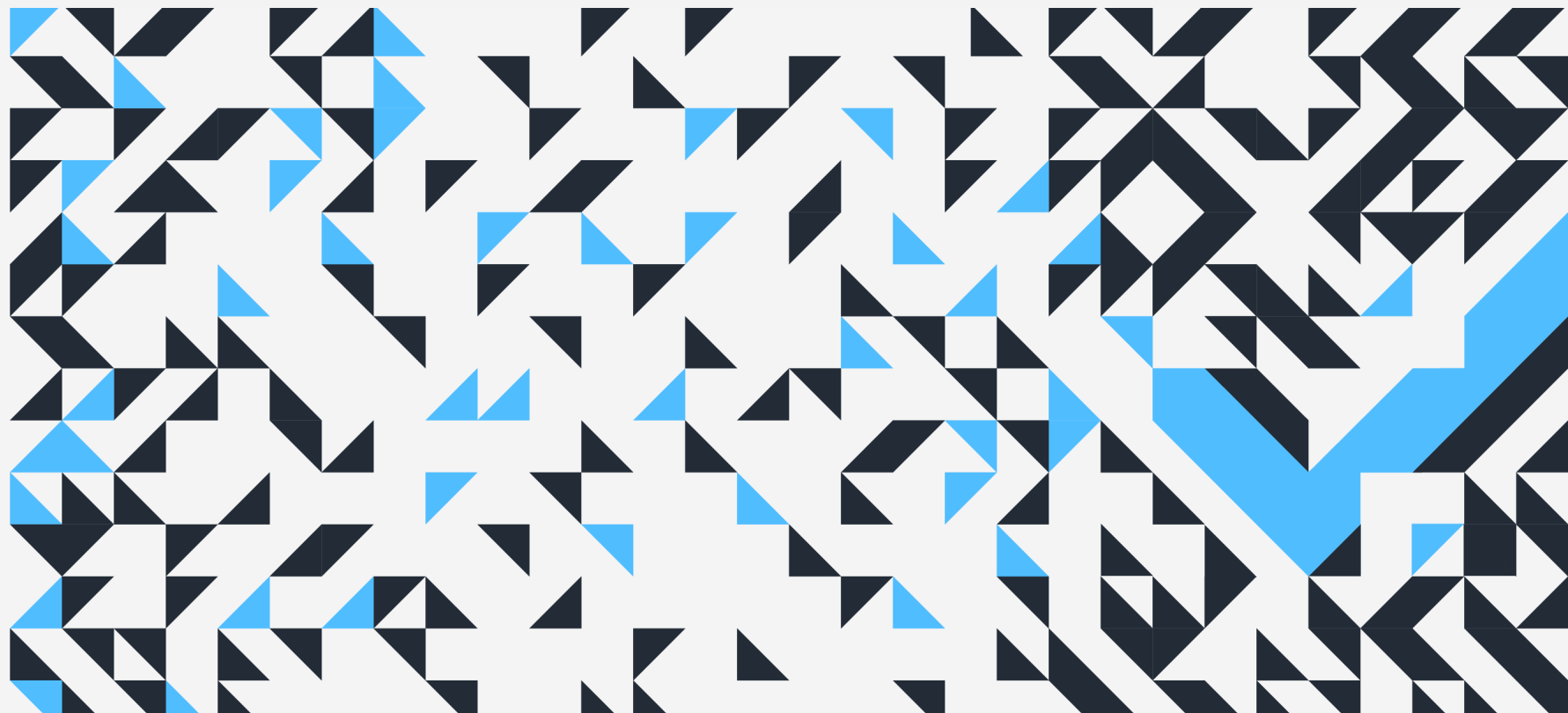


Home and Community-Based Services (HCBS) Rate Study

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

February 14, 2023



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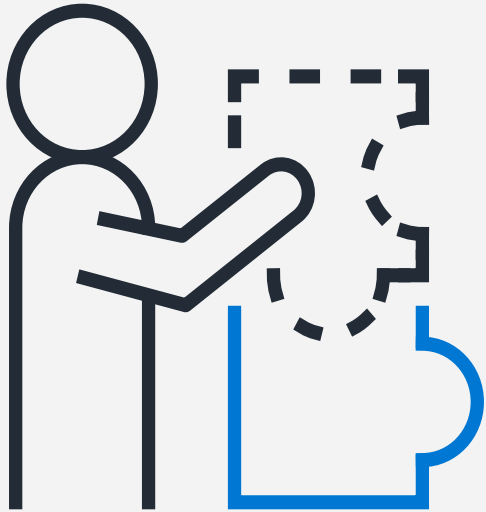
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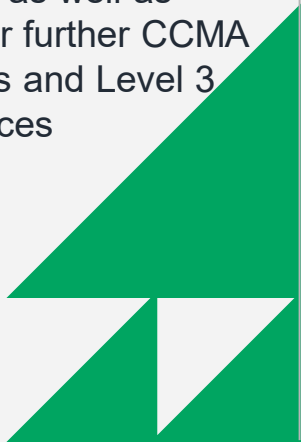
Project Overview

Rate Study Overview

“Phase 1” of the HCBS rate study included the following services:

This presentation summarizes the results and methodology for MQD’s home and community-based services (HCBS) rate study that supports ARPA-related funding increases

MQD is initiating “Phase 2” this month, which will include adult day, assisted living, and home delivered meals as well as consideration for further CCMA rate adjustments and Level 3 residential services



Residential services:

- Community Care Foster Family Home (CCFFH)
- Expanded Adult Residential Care Home (E-ARCH Type 1)

In-home services:

- Homemaker / Companion / Chore (PA1)
- Personal Care/Personal Assistance/Attendant Care (PA2)
- Private Duty Nursing Registered Nurse (RN) and Licensed Practical Nurse (LPN)

Case management services:

- Community Care Management Agency (CCMA)

January 2023 Rate Updates

Separate from Rate Study

MQD increased the Medicaid Managed Care Organization (MCO) capitation rates effective January 1, 2023 by 8.6% above calendar year (CY) 2021 expenditure levels for residential, CCMA, and in-home services using ARPA funding provided by CMS

- January 2023 capitation rates were determined independently of this rate study due to CMS' capitation rate certification timing requirements (which needed to be submitted to CMS in October 2022, well in advance of the completion of this study)
- The 8.6% increase is based on estimated increases in Hawai'i HCBS direct care worker wage growth for Average Hourly Earnings of All Employees, Education and Health Services, and trend adjustments were applied from the BLS reporting period of May 2021 – June 2023 based on BLS data

Both MCOs and the Medicaid HCBS provider work groups were informed of the January 2023 capitation rate increases for HCBS

- MQD published memo QI-2229 with CCFFH and E-ARCH rates effective January 1, 2023

Rate Study Modeled Rates

Modeled HCBS rates under this rate study are “comparison rates” that would provide a benchmark for MCOs and HCBS providers when negotiating contracts, but would not be required by MQD for payment

Modeled HCBS rates, if adopted for payment, are projected to result in expenditure increases beyond what was included in MCO capitation rates effective January 1, 2023

- MQD supports the new HCBS modeled rates and methodology but will need additional funding appropriated by the state legislature in order to implement modeled rate increases (for example, in calendar year 2024)

Modeled HCBS rates include a range of scenarios (“low”, “medium”, and “high”) based on different wage or staffing/caseload assumptions

- Modeled rates under all scenarios are greater than 2021 rates (based on published rates for residential and average payment per unit for in-home and CCMAAs)
- See the HCBS rate study report for more details on estimated payment increases

Rate Study Materials

HCBS Rate Study materials can be accessed by visiting the MQD HCBS Rate Study project website:

<https://medquest.hawaii.gov/en/plans-providers/fee-for-service/fee-schedules.html>

[HCBS Rate Study](#)[Medicaid Fee Schedule](#)[Dental Fee Schedule](#)[APR DRG Payment Methodology](#)

HCBS Rate Study Background

MQD conducted the HCBS Provider Cost and Wages Survey to collect data from HCBS Providers participating in the QUEST Integration (QI) Program. The initial 2022 HCBS Rate Study focused on the following highly utilized services included in the MQD American Rescue Plan Act of 2021 (ARPA) spending plan:

- Case Management Agency
- Community Care Foster Family Home
- Expanded Adult Residential Care Home
- Homemaker/Companion/Chore (PA1)
- Personal Care/Personal Assistance/Attendant Care (PA2)
- Private Duty Nursing (RN and LPN)
- Self-Directed Personal Assistance

HI HCBS Rate Study- Final Stakeholder Meeting: February 14, 2023, 2-3 P.M. [Zoom Link](#)
Join from a PC, Mac, iPad, iPhone or Android device:
Please click this URL to join. <https://medquest-hawaii-gov.zoom.us/j/84707394502>
Or One tap mobile:
+13462487799,,84707394502# US (Houston)
+16694449171,,84707394502# US

Reports

- SR4 SD1 Rate Study Report to the Thirty-Second Hawaii State Legislature 2023 – [PDF](#)
- HI HCBS Rate Study Report 20221230 – [PDF](#)

Independent Rate Model

Independent Rate Model Framework



Ground-up approach

- Rates are built from the ground up
- Based on sum of independently determined rate inputs and components
- Inputs are based on expected resources required to provide the service



Commonly applied method for rate determination for community-based services

- Many states employ independent rate model approach
- One acceptable method based on CMS guidance for HCBS services

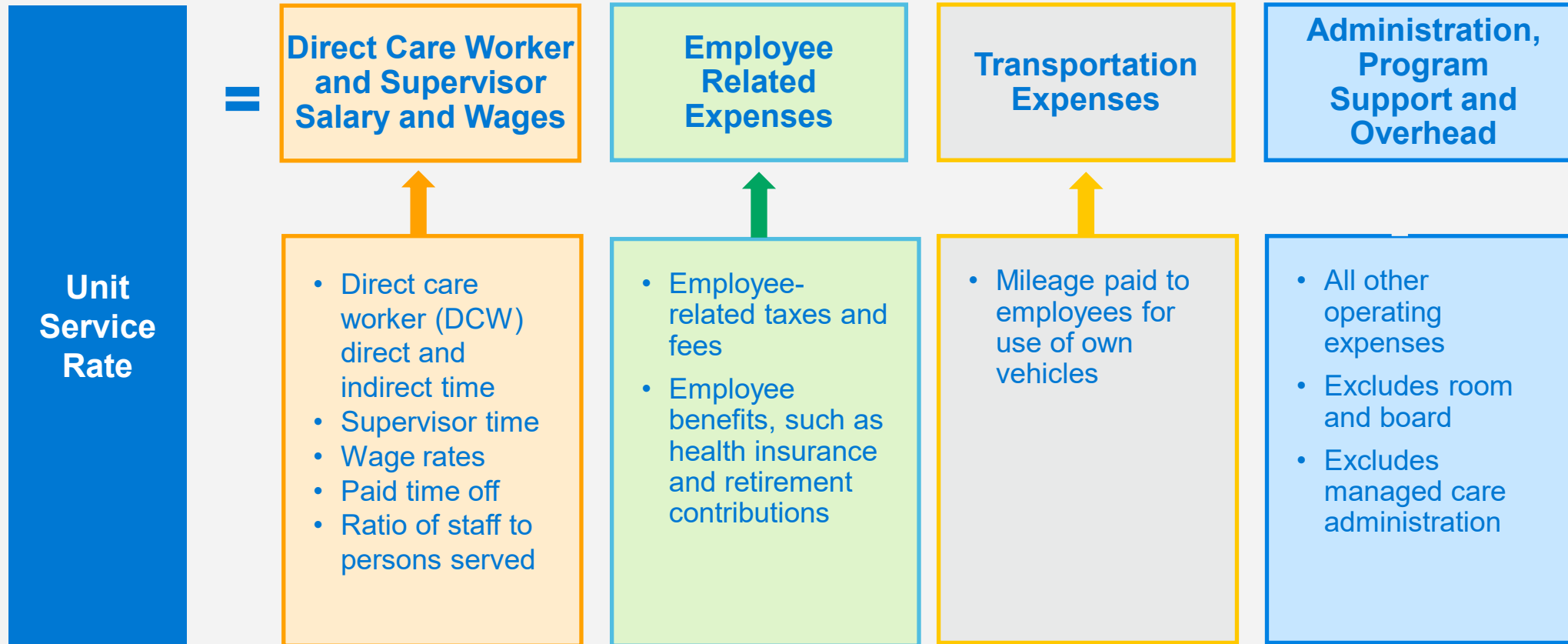


Benefits

- Provides transparency as to the reasonable costs required to provide the service
- Facilitates payment rate updates and modification efforts
- Facilitates comparison of actual costs of providing services
- Developed independently from actual costs incurred – not tied to historical costs

Independent Rate Model Framework

Rate Build Up Components



Rate Model Components Overview

Direct Care Worker and Supervisor Salary and Wages

- Wages were informed by stakeholder feedback and provider surveys – models assume wages from the Bureau of Labor and Statistics (BLS)
- Wages were primary adjustments for rate scenarios (e.g., 25th percentile / 50th percentile / 75th percentile)

Employee Related Expenses

- Employee Related Expenses assumption includes state and federal taxes as well as health and retirement benefits for all services
- MQD encourages providers of HCBS to offer benefits to employees

Transportation Expenses

- Case management and residential services assume transportation miles reimbursed at the federal reimbursement rate

Administration, Program Support and Overhead

- Expenses incurred by a provider necessary to support the provision of services but not directly related to providing services to individuals
- Set at 20% for all services and includes costs for electronic visit verification

Residential Services

Residential Services - Stakeholder Input

Major Themes from Stakeholder Meetings

- Caregivers are primarily Certified Nursing Assistants (CNAs)
- The proportion of primary caregiver direct care hours (and use of substitute caregivers) varies across providers and depends on if the owner has additional employment outside of the residence
- Substitute caregiver compensation varies with some substitute caregivers that are paid and some unpaid
- Strong support for enhanced rate for level “3” for high behavioral problems
- Transportation typically provided using primary caregiver’s own vehicle; trips can range from 2-3 times per week
- Proposed direct service hours are generally appropriate, but vary based upon the needs of an individual

Key Cost and Wage Survey Results

- There were two different residential provider surveys (Excel and web-based)
- 401 residential provider surveys were submitted
- Residential services are overwhelmingly delivered by CNAs and substitute caregivers are contractors and not direct employees of a residential provider
- CNAs / NAs reported weekly average direct care of approximately 42 hours for Level 1 and approximately 66 hours for Level 2 in a three bed residence

E-ARCH Type I / CCFFH Cost-Share Residential Rate Scenarios

| COST-SHARE RESIDENTIAL RATE COHORT | CURRENT MQD QI MEMO PER DIEM RATES (2022) | MODELED COMPARISON PER DIEM RATE SCENARIOS | | | | | |
|---------------------------------------|---|---|-------------------------|----------|----------------------------|----------|--------------------------|
| | | LOW | EST. % CHANGE LOW | MEDIUM | EST. % CHANGE MEDIUM | HIGH | EST. % CHANGE HIGH |
| Level 1— Oahu | \$56.50 | \$59.41 | 5.2% | \$71.95 | 27.3% | \$73.80 | 30.6% |
| Level 2— Oahu | \$72.58 | \$95.65 | 31.8% | \$116.24 | 60.2% | \$119.39 | 64.5% |
| Level 1 – Neighbor Island | \$61.50 | \$64.41 | 4.7% | \$76.95 | 25.1% | \$78.80 | 28.1% |
| Level 2 – Neighbor Island | \$72.58 | \$100.65 | 38.7% | \$121.24 | 67.0% | \$124.39 | 71.4% |

See appendix for detailed rate model scenario calculations

CCMA Services

CCMA - Stakeholder Input

Major Themes from Stakeholder Meetings

- Most case managers are contracted registered nurses (RNs)
- Social workers are helpful for more complex cases for comprehensive care but cannot fulfill the ongoing nurse delegation requirement
- CCMA's face significant wage pressures for RNs and are competing with facilities for the same labor force
- Most of the on-call nurse delegation is performed by the owners of the CCMA
- Discussion around the service definition and alignment with the rate
- Caseload sizes vary as it relates to the levels of need
- Future consideration for a rate that varies by level, particular for a new level 3

Key Cost and Wage Survey Results

- The Excel-based provider survey was released to all CCMA providers
- 5 CMMA surveys were submitted
- Case manager compensation varied across providers:

| EMPLOYEE TYPES | TOTAL FTES | WAGES | | RATES | |
|---|------------|----------|----------|----------|----------|
| | | MEDIAN | MEAN | MEDIAN | MEAN |
| Case Management - Registered Nurses (RNs) | 18 | \$ 41.44 | \$ 35.97 | \$ 62.50 | \$ 55.75 |
| Case Management - Licensed Social Workers | 0 | \$ 0.00 | \$ 0.00 | \$ 60.00 | \$ 60.00 |

CCMA Services Rate Scenarios

MODELED COMPARISON PER DIEM RATE SCENARIOS

| SERVICE DESCRIPTION | AVERAGE PAYMENT PER DIEM (2021) | | | | | | |
|------------------------|--|----------|-------------------------|----------|----------------------------|----------|--------------------------|
| | | LOW | EST. % CHANGE LOW | MEDIUM | EST. % CHANGE MEDIUM | HIGH | EST. % CHANGE HIGH |
| Case management | \$13.15 | \$ 13.88 | 5.6% | \$ 15.06 | 14.5% | \$ 16.48 | 25.3% |

See appendix for detailed rate model scenario calculations

In-Home Services

In-Home Services - Stakeholder Input

Major Themes from Stakeholder Meetings

- Some in-home service providers deliver a mix of PA1, PA2, and private duty nursing, while others only do one
- The direct services professionals PA1 and homemaker workers typically do not have a bachelor's degree but require training
- Agencies face significant wage pressures from hotels for PA1 services and nursing facilities and private pay services for PA2 services
- PA2 services require a nurse supervisor for each case; RNs are typically a mix of part time and full-time employees
- Modeled rates are closer to private pay rates than current MCO rates and are comparable to developmental disability service rates (which have more behavioral health service requirements)
- Rates need to support shorter visits, which require higher pay due to variable scheduling
- Modeled rates demonstrate “respect” for the workforce, which is challenging to recruit and retain due to workforce competition in hospitals and nursing facilities

Key Cost and Wage Survey Results

- The Excel-based provider survey was sent to all CCMA providers
- Surveys received: Personal Assistance (PA) 1 / PA2 – 8 surveys received and Private duty nursing – 5 surveys

| EMPLOYEE TYPES | WAGES | | Rates | |
|---|--------|-------|--------|-------|
| | MEDIAN | MEAN | MEDIAN | MEAN |
| Home Care - Personal Assistance Level 1 (companion/homemaker/chore) | 13.13 | 13.06 | 14.57 | 14.57 |
| Home Care - Personal Assistance Level 2 (PCA, CNA, NA, HHA) | 15.00 | 15.61 | 15.57 | 15.57 |
| Home Care - Licensed Practical Nurses (LPNs) | 27.08 | 27.08 | 15.00 | 15.00 |
| Home Care - Registered Nurses (RNs) | 35.00 | 35.80 | 30.00 | 30.00 |

In-Home Services Rate Scenarios

| IN-HOME SERVICE | AVERAGE PAYMENT PER 15- MINUTE UNIT (2021) | MODELED COMPARISON RATE SCENARIOS – 15 MINUTE UNIT | | | | | |
|--|---|---|-------------------------|---------|----------------------------|---------|--------------------------|
| | | LOW | EST. % CHANGE LOW | MEDIUM | EST. % CHANGE MEDIUM | HIGH | EST. % CHANGE HIGH |
| Personal Assistance – Level 1 | \$5.56 | \$8.75 | 57.4% | \$10.26 | 84.5% | \$11.04 | 98.6% |
| Personal Assistance/Attendant Care – Level 2 | \$6.70 | \$11.42 | 70.4% | \$13.39 | 99.9% | \$14.10 | 110.4% |
| Private Duty Nursing/Attendant Care – LPN | \$11.00 | \$14.08 | 28.0% | \$14.43 | 31.2% | \$15.77 | 43.4% |
| Private Duty Nursing/Attendant Care – RN | \$14.77 | \$22.07 | 49.4% | \$26.83 | 81.7% | \$31.16 | 111.0% |

See appendix for detailed rate model scenario calculations

Next Steps

Next Steps

Phase II will kick-off with a public stakeholder meeting that is targeted from March 2023

Phase II services under evaluation:

- Adult day care
- Adult day health
- Assisted living facilities
- Home delivered meals
- Respite care facility and in-home services
- Level 3 residential services (CCFFH and E-ARCH I) and CCMA services that vary by a level of care

Stakeholders should submit any additional comments to the HCSB inbox

- HCSBInquiries@dhs.hawaii.gov
- Please add “HCBS Rate Study” to the email Subject line
- MQD to provide updates on the legislative budget request

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 discussions with MQD and home and community-based services (HCBS) stakeholders for the HI HCBS rate study review and are not complete without oral comments. The contents of this document are not intended to represent a legal or professional opinion or interpretation on any matters.

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Milliman has developed certain models to estimate the values included in this report. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose. The models rely on data and information as input to the models. We have relied upon certain data and information provided by MQD and other sources and accepted it without audit. To the extent that the data and information provided is not accurate, or is not complete, the values provided in this report may likewise be inaccurate or incomplete. The models, including all input, calculations, and output may not be appropriate for any other purpose.

Appendix A – Rate Model Scenarios

Proposed Rate Model Options

CCFFH/E-ARCH I Level 1 - Daily

| Service Information | | | | | |
|----------------------|--|--------------------------|----------------------|-------------|---|
| Service Description: | | CCFFH/E-ARCH I - Level 1 | | | |
| Reporting Units: | | Per Diem | | | |
| | | Primary Caregiver | Substitute Caregiver | Total | Notes |
| A | Total weekly hours | 28 | 14 | 42 | Informed by survey data |
| B | Number of individuals served | | | 3 | The assumed number of clients in the facility |
| C | PTO/training/conference time adjustment factor | 11.1% | 11.1% | | Based on separate PTO build |
| D | Adjusted total hours of time per week | 31.09 | 15.55 | | $D = A * (1 + C)$ |
| E | Hourly wage | \$ 19.46 | \$ 19.46 | | Based on separate wage build |
| F | Percent of hours that are third shift | 0% | 0% | | $F = ((C * 5 + * 2) * 8) / A$ |
| G | Total wages expense per week | \$ 605 | \$ 303 | | $G = D * (E + F * \$0) $ Third shift workers get paid an extra \$2/hour |
| H | Holidays/premium pay days worked per year | | 10.00 | | |
| I | Percent of non-holiday hours paid at time and a half | | 0.0% | | |
| J | Percent of total hours paid at time and a half | 0% | 2.7% | | $J = ((365.25 - H) * I + H) / 365.25$ |
| K | Total direct care wage adjusted for overtime and holidays per week | \$ 605.00 | \$ 306.23 | \$ 911.24 | $K = G + A * J * (E + F * \$2) * 0.5$ |
| L | Employee related expense (ERE) percentage | 38.3% | | | Based on separate ERE build |
| M | Total ERE expense per week | \$ 231.94 | | \$ 231.94 | $M = K * L$ |
| N | Estimated miles driven per week | | | 105 | 15 miles per day |
| O | Federal reimbursement rate | | | \$ 0.625 | |
| P | Transportation costs per week | | | \$ 65.63 | $P = N * O$ |
| Q | Subtotal before administration / overhead / program support | | | \$ 1,208.80 | $Q = (K + M + P)$ |
| R | Administration / program support / overhead percentage | | | 20.0% | |
| S | Administration / overhead / program support cost per week | | | \$302.20 | $S = (Q * R) / (1 - R)$ |
| T | Total cost per week | | | \$1,511.00 | $T = Q + S$ |
| U | Units per week | | | 7.00 | |
| V | Preliminary Per Diem Rate | | | \$71.95 | $V = T / U / B$ |

Reflects Cost Share rates for Oahu; excludes room and board costs.

| SUMMARY OF RESIDENTIAL RATES - LEVEL 1 | | | | | | | | | |
|--|--|-----------------------------------|--------------------------------------|---------------------------|------------------|-------------------------------|---------------------|---------------------------|--------------------------------------|
| SCENARIO | SERVICE DESCRIPTION | PRIMARY CAREGIVER WAGE PERCENTILE | SUBSTITUTE CAREGIVER WAGE PERCENTILE | DIRECT SERVICE | EMPLOYEE | ADMINISTRATIO | TOTAL RATE (WEEKLY) | TOTAL RATE (DAILY) - OAHU | TOTAL RATE (DAILY) - NEIGHBOR ISLAND |
| | | | | EMPLOYEE SALARIES & WAGES | RELATED EXPENSES | N, PROGRAM SUPPORT & OVERHEAD | | | |
| Low | Residential Services (E-ARCH Type I/CCFFH) - Level 1 | 25th Percentile | 25th Percentile | \$ 34.46 | \$ 9.94 | \$ 15.01 | \$ 1,247.65 | \$ 59.41 | \$ 64.41 |
| Medium | Residential Services (E-ARCH Type I/CCFFH) - Level 1 | 50th Percentile | 50th Percentile | \$ 43.39 | \$ 11.04 | \$ 17.52 | \$ 1,511.00 | \$ 71.95 | \$ 76.95 |
| High | Residential Services (E-ARCH Type I/CCFFH) - Level 1 | 75th Percentile | 75th Percentile | \$ 44.71 | \$ 11.21 | \$ 17.89 | \$ 1,549.86 | \$ 73.80 | \$ 78.80 |

Proposed Rate Model Options

CCFFH/E-ARCH I Level 2 - Daily

| Service Information | | | | | |
|----------------------|--|---------------------------|----------------------|-------------|---|
| Service Description: | | CCFFH/E-EARCH I - Level 2 | | | |
| Reporting Units: | | Per Diem | | | |
| | | Primary Caregiver | Substitute Caregiver | Total | Notes |
| A | Total weekly hours | 47 | 22 | 69 | Informed by survey data |
| B | Number of individuals served | | | 3 | The assumed number of clients in the facility |
| C | PTO/training/conference time adjustment factor | 11.1% | 11.1% | | Based on separate PTO build |
| D | Adjusted total hours of time per week | 51.97 | 24.88 | | $D = A * (1 + C)$ |
| E | Hourly wage | \$ 19.46 | \$ 19.46 | | Based on separate wage build |
| F | Percent of hours that are third shift | 0% | 0% | | $F = ((C * 5 + * 2) * 8) / A$ |
| G | Total wages expense per week | \$ 1,011 | \$ 484 | | $G = D * (E + F * \$0) $ Third shift workers get paid an extra \$2/hour |
| H | Holidays/premium pay days worked per year | | 10.00 | | |
| I | Percent of non-holiday hours paid at time and a half | | 0.0% | | |
| J | Percent of total hours paid at time and a half | 0% | 2.7% | | $J = ((365.25 - H) * I + H) / 365.25$ |
| K | Total direct care wage adjusted for overtime and holidays per week | \$ 1,011.22 | \$ 489.97 | \$ 1,501.19 | $K = G + A * J * (E + F * \$2) * 0.5$ |
| L | Employee related expense (ERE) percentage | 38.3% | | | Based on separate ERE build |
| M | Total ERE expense per week | \$ 387.68 | | \$ 387.68 | $M = K * L$ |
| N | Estimated miles driven per week | | | 105 | 15 miles per day |
| O | Federal reimbursement rate | | | \$ 0.625 | |
| P | Transportation costs per week | | | \$ 65.63 | $P = N * O$ |
| Q | Subtotal before administration / overhead / program support | | | \$ 1,954.49 | $Q = (K + M + P)$ |
| R | Administration / program support / overhead percentage | | | 20.0% | |
| S | Administration / overhead / program support cost per week | | | \$488.62 | $S = (Q * R) / (1 - R)$ |
| T | Total cost per week | | | \$2,443.12 | $T = Q + S$ |
| U | Units per week | | | 7.00 | |
| V | Preliminary Per Diem Rate | | | \$116.34 | $V = T / U / B$ |

Reflects Cost Share rates for Oahu; excludes room and board costs.

| SUMMARY OF RESIDENTIAL RATES - LEVEL 2 | | | | | | | | | |
|--|--|-----------------------------------|--------------------------------------|--|---------------------------|---|---------------------|---------------------------|--------------------------------------|
| SCENARIO | SERVICE DESCRIPTION | PRIMARY CAREGIVER WAGE PERCENTILE | SUBSTITUTE CAREGIVER WAGE PERCENTILE | DIRECT SERVICE EMPLOYEE SALARIES & WAGES | EMPLOYEE RELATED EXPENSES | ADMINISTRATIO N, PROGRAM SUPPORT & OVERHEAD | TOTAL RATE (WEEKLY) | TOTAL RATE (DAILY) - OAHU | TOTAL RATE (DAILY) - NEIGHBOR ISLAND |
| | | | | | | | | | |
| Low | Residential Services (E-ARCH Type I/CCFFH) - Level 2 | 25th Percentile | 25th Percentile | \$ 56.78 | \$ 16.61 | \$ 22.25 | \$ 1,549.86 | \$ 95.65 | \$ 100.65 |
| Medium | Residential Services (E-ARCH Type I/CCFFH) - Level 2 | 50th Percentile | 50th Percentile | \$ 71.49 | \$ 18.46 | \$ 26.39 | \$ 2,443.12 | \$ 116.34 | \$ 121.34 |
| High | Residential Services (E-ARCH Type I/CCFFH) - Level 2 | 75th Percentile | 75th Percentile | \$ 73.66 | \$ 18.73 | \$ 27.00 | \$ 2,507.23 | \$ 119.39 | \$ 124.39 |

Proposed Rate Model Options

CCMA - Daily

| Service Information | | | | | | | | |
|-----------------------|---|---------------|--|---------------------------------|---|---|-------------------------|-----------------------|
| Service Description: | Case management | | | | | | | |
| Reporting Units: | Daily | | | | | | | |
| | | | | | | | | |
| Ref. | Description | Case Manager | Case Manager - On Call | Total | Notes | | | |
| A | Hourly wage | \$ 53.96 | \$ 53.96 | | Based on separate wage build | | | |
| B | Number of employees | 1.00 | 0.10 | | | | | |
| C | Total wages expense per month | \$ 9,353 | \$ 935 | \$ 10,288 | C = A * B * 2,080 / 12 | | | |
| D | Employee related expense (ERE) percentage | 22.6% | 22.6% | | Based on separate ERE build | | | |
| E | Total ERE expense per month | \$ 2,115 | \$ 212 | \$ 2,327 | E = C * D | | | |
| F | Estimated miles driven per month | | | 400 | Based on separate travel build | | | |
| G | Federal reimbursement rate | | | \$ 0.625 | | | | |
| H | Transportation fleet costs per month | | | \$ 250.00 | H = F * G | | | |
| I | Administration / Program Support / Overhead | | | 20.0% | Portion of monthly costs | | | |
| J | Monthly Administrative Expenses | | | \$ 3,216.31 | J = I * (C + E + H) / (1 - I) | | | |
| K | Monthly Costs | | | \$ 16,081.56 | K = C + E + H + J | | | |
| L | Number of clients per team | | | 35.00 | | | | |
| M | Daily Rate | | | \$ 459.47 | M = K / L | | | |
| N | Daily Rate | | | \$ 15.06 | N = M / 30.5 days | | | |
| Summary of CCMA Rates | | | | | | | | |
| | | | Direct Service Employee Salaries & Wages | Employee Related Expenses | Transportation & Fleet Vehicle Expenses | Administration, Program Support & Overhead | Total Rate (Monthly) | Total Rate (Daily) |
| Scenario | Service Description | Caseload Size | | | | | | |
| Low | Community Care Management Agency (CCMA) | 38 | \$ 293.96 | \$ 66.48 | \$ 7.14 | \$ 91.89 | \$ 423.20 | \$ 13.88 |
| Medium | Community Care Management Agency (CCMA) | 35 | \$ 293.96 | \$ 66.48 | \$ 7.14 | \$ 91.89 | \$ 459.47 | \$ 15.06 |
| High | Community Care Management Agency (CCMA) | 32 | \$ 293.96 | \$ 66.48 | \$ 7.14 | \$ 91.89 | \$ 502.55 | \$ 16.48 |

Proposed Rate Model Options

Personal Assistance – Level 1 (PA1)

| Service Information | | | | | |
|----------------------|---|------------------------------|-------------------------------|----------------|--|
| Service Description: | Personal Assistance - Level 1 | | | | |
| Reporting Units: | 15 minutes | | | | |
| Ref. | Description | Clinician: In-Home Attendant | Supervisor: In-Home Attendant | Total | Notes |
| A | Average minutes of direct time per unit | 15.00 | | | |
| B | Average minutes of indirect time per unit | 2.00 | | | |
| C | Average minutes of transportation time per unit | - | | | Based on separate travel build |
| D | Total minutes per unit | 17.00 | | | $D = A + B + C$ |
| E | Staffing Ratio | 1.00 | | | |
| F | Supervisor span of control | | 10.00 | | 10 employees assumed to be managed by 1 supervisor |
| G | Supervisor time per unit | | 1.70 | | $G = D / E / F$ |
| H | PTO/training/conference time adjustment factor | 11.1% | 11.1% | | Based on separate PTO build |
| I | Adjusted Total minutes per unit | 18.88 | 1.89 | | $I = D / E * (1 + H) I = G * (1 + H)$ |
| J | Hourly wage | \$ 16.12 | \$ 17.59 | | Based on separate wage build |
| K | Total wages expense per unit | \$ 5.07 | \$ 0.55 | \$ 5.62 | $K = J * I / 60$ |
| L | Employee related expense (ERE) percentage | 42.4% | 40.4% | | Based on separate ERE build |
| M | Total ERE expense per unit | \$ 2.15 | \$ 0.22 | \$ 2.37 | $M = K * L$ |
| N | Administration / program support / overhead | | | 20.0% | Portion of total rate |
| O | Administration expenses - EVV | | | 2.0% | Portion of total rate |
| P | Administration Expenses | | | \$ 2.26 | $P = (N + O) * (K + M) / (1 - (N + O))$ |
| Q | Rate Per 15 minutes | | | \$10.26 | $Q = K + M + P$ |

| Summary of PA1 Rates | | | | | | | | |
|----------------------|-------------------------------|--|---|--|--|---------------------------|--|------------|
| | | Clinician: In-Home Attendant Wage Percentile | Supervisor: In-Home Attendant Wage Percentile | Direct Service Employee Salaries & Wages | Indirect Service Employee Salaries & Wages | Employee Related Expenses | Administration, Program Support & Overhead | Total Rate |
| Scenario | Service Description | | | | | | | |
| Low | Personal Assistance - Level 1 | 10th Percentile | 25th Percentile | \$ 4.09 | \$ 0.55 | \$ 2.19 | \$ 1.92 | \$ 8.75 |
| Medium | Personal Assistance - Level 1 | 25th Percentile | 50th Percentile | \$ 4.96 | \$ 0.66 | \$ 2.37 | \$ 2.26 | \$ 10.26 |
| High | Personal Assistance - Level 1 | 50th Percentile | 75th Percentile | \$ 5.42 | \$ 0.72 | \$ 2.47 | \$ 2.43 | \$ 11.04 |

Proposed Rate Model Options

Personal Assistance – Level 2 (PA2)

| Service Information | | | | | |
|----------------------|---|-----------------------|------------------------------|----------------|--|
| Service Description: | Personal Assistance - Level 2 | | | | |
| Reporting Units: | 15 minutes | | | | |
| | | | | | |
| Ref. | Description | Clinician: Nurse Aide | Supervisor: Registered Nurse | Total | Notes |
| A | Average minutes of direct time per unit | 15.00 | | | |
| B | Average minutes of indirect time per unit | 2.00 | | | |
| C | Average minutes of transportation time per unit | - | | | Based on separate travel build |
| D | Total minutes per unit | 17.00 | | | D = A + B + C |
| E | Staffing Ratio | 1.00 | | | |
| F | Supervisor span of control | | 10.00 | | 10 employees assumed to be managed by 1 supervisor |
| G | Supervisor time per unit | | 1.70 | | G = D / E / F |
| H | PTO/training/conference time adjustment factor | 11.1% | 11.1% | | Based on separate PTO build |
| I | Adjusted Total minutes per unit | 18.88 | 1.89 | | I = D / E * (1 + H) I = G * (1 + H) |
| J | Hourly wage | \$ 19.46 | \$ 58.40 | | Based on separate wage build |
| K | Total wages expense per unit | \$ 6.12 | \$ 1.84 | \$ 7.96 | K = J * I / 60 |
| L | Employee related expense (ERE) percentage | 38.3% | 21.9% | | Based on separate ERE build |
| M | Total ERE expense per unit | \$ 2.35 | \$ 0.40 | \$ 2.75 | M = K * L |
| N | Administration / program support / overhead | | | 18.0% | Portion of total rate |
| O | Administration expenses - EVV | | | 2.0% | Portion of total rate |
| P | Administration Expenses | | | \$ 2.68 | P = (N + O) * (K + M) / (1 - (N + O)) |
| Q | Rate Per 15 minutes | | | \$13.39 | Q = K + M + P |

| Summary of PA2 Rates | | | | | | | | |
|----------------------|-------------------------------|---------------------------------------|--|---------------------------|---------------------------|--|---------|------------|
| Scenario | Service Description | Direct Service | | Indirect Service | | Administration, Program Support & Overhead | | Total Rate |
| | | Clinician: Nurse Aide Wage Percentile | Supervisor: Registered Nurse Wage Percentile | Employee Salaries & Wages | Employee Salaries & Wages | Employee Related Expenses | | |
| Low | Personal Assistance - Level 2 | 10th Percentile | 25th Percentile | \$ 5.85 | \$ 0.78 | \$ 2.50 | \$ 2.28 | \$ 11.42 |
| Medium | Personal Assistance - Level 2 | 25th Percentile | 50th Percentile | \$ 7.02 | \$ 0.94 | \$ 2.75 | \$ 2.68 | \$ 13.39 |
| High | Personal Assistance - Level 2 | 50th Percentile | 75th Percentile | \$ 7.46 | \$ 0.99 | \$ 2.82 | \$ 2.82 | \$ 14.10 |

Proposed Rate Model Options

Private Duty Nursing - LPN

| Service Information | | | | | |
|----------------------|---|-------------------------------------|--------------------------------------|----------------|--|
| Service Description: | Nursing care in home LPN | | | | |
| Reporting Units: | 15 minutes | | | | |
| Ref. | Description | Clinician: Licensed Practical Nurse | Supervisor: Licensed Practical Nurse | Total | Notes |
| A | Average minutes of direct time per unit | 15.00 | | | |
| B | Average minutes of indirect time per unit | 2.00 | | | |
| C | Average minutes of transportation time per unit | - | | | Based on separate travel build |
| D | Total minutes per unit | 17.00 | | | $D = A + B + C$ |
| E | Staffing Ratio | 1.00 | | | |
| F | Supervisor span of control | | 10.00 | | 10 employees assumed to be managed by 1 supervisor |
| G | Supervisor time per unit | | 1.70 | | $G = D / E / F$ |
| H | PTO/training/conference time adjustment factor | 11.1% | 11.1% | | Based on separate PTO build |
| I | Adjusted Total minutes per unit | 18.88 | 1.89 | | $I = D / E * (1 + H) I = G * (1 + H)$ |
| J | Hourly wage | \$ 24.66 | \$ 27.23 | | Based on separate wage build |
| K | Total wages expense per unit | \$ 7.76 | \$ 0.86 | \$ 8.62 | $K = J * I / 60$ |
| L | Employee related expense (ERE) percentage | 34.2% | 32.2% | | Based on separate ERE build |
| M | Total ERE expense per unit | \$ 2.65 | \$ 0.28 | \$ 2.93 | $M = K * L$ |
| N | Administration / program support / overhead | | | 18.0% | Portion of total rate |
| O | Administration expenses - EVV | | | 2.0% | Portion of total rate |
| P | Administration Expenses | | | \$ 2.89 | $P = (N + O) * (K + M) / (1 - (N + O))$ |
| Q | Rate Per 15 minutes | | | \$14.43 | $Q = K + M + P$ |

| Summary of Private Duty Nursing - LPN Rates | | | | | | | | |
|---|----------------------------|---|--|--|--|---------------------------|--|------------|
| Scenario | Service Description | Clinician: Licensed Practical Nurse Wage Percentile | Supervisor: Licensed Practical Nurse Wage Percentile | Direct Service Employee Salaries & Wages | Indirect Service Employee Salaries & Wages | Employee Related Expenses | Administration, Program Support & Overhead | Total Rate |
| | | | | | | | | |
| Low | Private Duty Nursing - LPN | 10th Percentile | 25th Percentile | \$ 7.39 | \$ 0.99 | \$ 2.89 | \$ 2.82 | \$ 14.08 |
| Medium | Private Duty Nursing - LPN | 25th Percentile | 50th Percentile | \$ 7.60 | \$ 1.01 | \$ 2.93 | \$ 2.89 | \$ 14.43 |
| High | Private Duty Nursing - LPN | 50th Percentile | 75th Percentile | \$ 8.44 | \$ 1.13 | \$ 3.05 | \$ 3.15 | \$ 15.77 |

Proposed Rate Model Options

Private Duty Nursing - RN

| Service Information | | | | | |
|----------------------|---|--------------------------------|---------------------------------|-----------------|--|
| Service Description: | Nursing care in home RN | | | | |
| Reporting Units: | 15 minutes | | | | |
| Ref. | Description | Clinician: Registered Nurse | Supervisor: Registered Nurse | Total | Notes |
| A | Average minutes of direct time per unit | 15.00 | | | |
| B | Average minutes of indirect time per unit | 2.00 | | | |
| C | Average minutes of transportation time per unit | - | | | Based on separate travel build |
| D | Total minutes per unit | 17.00 | | | $D = A + B + C$ |
| E | Staffing Ratio | 1.00 | | | |
| F | Supervisor span of control | | 10.00 | | 10 employees assumed to be managed by 1 supervisor |
| G | Supervisor time per unit | | 1.70 | | $G = D / E / F$ |
| H | PTO/training/conference time adjustment factor | 11.1% | 11.1% | | Based on separate PTO build |
| I | Adjusted Total minutes per unit | 18.88 | 1.89 | | $I = D / E * (1 + H) I = G * (1 + H)$ |
| J | Hourly wage | \$ 49.48 | \$ 58.40 | | Based on separate wage build |
| K | Total wages expense per unit | \$ 15.57 | \$ 1.84 | \$ 17.41 | $K = J * I / 60$ |
| L | Employee related expense (ERE) percentage | 23.5% | 21.9% | | Based on separate ERE build |
| M | Total ERE expense per unit | \$ 3.66 | \$ 0.40 | \$ 4.06 | $M = K * L$ |
| N | Administration / program support / overhead | | | 18.0% | Portion of total rate |
| O | Administration expenses - EVV | | | 2.0% | Portion of total rate |
| P | Administration Expenses | | | \$ 5.37 | $P = (N + O) * (K + M) / (1 - (N + O))$ |
| Q | Rate Per 15 minutes | | | \$26.83 | $Q = K + M + P$ |

| Summary of Private Duty Nursing - RN Rates | | | | | | | | |
|--|---------------------------|---|--|---------------------------|---------------------------|---------------------------|----------------------------|------------|
| Scenario | Service Description | Clinician: Registered Nurse Wage Percentile | Supervisor: Registered Nurse Wage Percentile | Direct Service | Indirect Service | Employee Related Expenses | Administration, | Total Rate |
| | | | | Employee Salaries & Wages | Employee Salaries & Wages | | Program Support & Overhead | |
| Low | Private Duty Nursing - RN | 10th Percentile | 25th Percentile | \$ 12.38 | \$ 1.65 | \$ 3.63 | \$ 4.41 | \$ 22.07 |
| Medium | Private Duty Nursing - RN | 25th Percentile | 50th Percentile | \$ 15.36 | \$ 2.05 | \$ 4.06 | \$ 5.37 | \$ 26.83 |
| High | Private Duty Nursing - RN | 50th Percentile | 75th Percentile | \$ 18.07 | \$ 2.41 | \$ 4.45 | \$ 6.23 | \$ 31.16 |



Thank you

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