IDAHO DEPARTMENT OF
HEALTH & WELFARE

C.L. "BUTCH" OTTER – Governor
RUSSELL S. BARRON – Director

MATT WIMMER - ADMINISTRATOR
DIVISION OF MEDICAID
POST OFFICE BOX 83720
BOISE, IDAHO 83720-0009
PHONE: (208) 334-5747
FAX: (208) 364-1811

COLLABORATIVE STAKEHOLDER MEETING
RATE SETTING METHODOLOGY

THURSDAY, NOVEMBER 8, 2018		
* Live Meeting * 2:00 p.m. to 4:00 p.m. (Mountain Local Time)	*Via WebEx Online Conference* 2:00 p.m. to 4:00 p.m. (Mountain Local Time)	* Via Call-In / For Audio Only* 2:00 p.m. to 4:00 p.m. (Mountain Local Time)
Idaho Falls Office 150 Shoup Avenue Large Conference Room, 2nd Fl. Idaho Falls, ID 83402	**Web Address:** https://idhw.webex.com/idhw/j.php?MTID=m9a86bbe1f9d1d635aca4739ebf6b5fd2	**Toll Free:** 1-240-454-0879 Meeting Number (Access Code): 806 505 515 Meeting Password: 87676665

Facilitator

Karen Westbrook, Medicaid Program Policy Analyst for Adult Developmental Disability Services, Division of Medicaid

Purpose of the Meeting

The purpose of this meeting is to provide an opportunity for interested stakeholders to review and discuss reimbursement rule revisions prepared by the rate methodology small workgroup.

Agenda

- Welcome
- Discussion
  - Cost surveys for provider types/services that have not had a recent survey; and
  - Review draft rule revisions from small workgroup.
- Questions
- Next Steps
  - Written Comment Period
  - Next Small Workgroup Meetings
  - Next Collaborative Stakeholder Meeting – January 9, 2019 – Downtown Boise 8:30AM
- Adjourn

Written comments:

- *Mail Comments To:* Medicaid Central Office, Idaho Department of Health and Welfare, PO Box 83720, Boise, ID 83720-0036
  Attn: Karen Westbrook
- *Hand Deliver Comments During Regular Business Hours (M-F from 8AM to 5PM, except holidays) To:*
  Medicaid Central Office, Idaho Department of Health and Welfare, 3232 Elder Street, Boise, ID 83705
  Attn: Karen Westbrook
- *Send Email Comments To:* BDDSRules@dhw.idaho.gov

IDAPA 16.03.10 - MEDICAID ENHANCED PLAN BENEFITS

[Sections Omitted.]

GENERAL REIMBURSEMENT PROVISIONS

[Sections Omitted.]

37. GENERAL REIMBURSEMENT: PARTICIPANT SERVICES.

The Department will evaluate provider reimbursement rates that comply with 42 U.S.C. 1396a(a)(30)(A). This evaluation will assure payments are consistent with efficiency, economy, and quality of care and safeguards against unnecessary utilization of care and services. Reimbursements will be sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services are available to the general population in the geographic area. (4-4-13)

01. Applicable Participant Services. Unless otherwise provided in Section 038 of rules, The the following types of services are reimbursed as provided in Section 037 this section of these rules. (4-4-13)( )

a. Personal Care Services. The fees for personal Care Services (PCS) described in Sections 300-308 of these rules. (4-4-13)( )

b. Aged and Disabled Waiver Services. The fees for personal care services (PCS) Aged and Disabled Waiver services described in Sections 320-330 of these rules. (4-4-13)( )

c. Children's Waiver Services. The fees for children's waiver services described in Sections 680-686 of these rules. (4-4-13)( )

d. Children's Developmental Disabilities Home and Community-Based State Plan Option Services. The fees for Children's Developmental Disabilities Home and Community-Based State Plan Option Services described in Sections 660-666 of these rules. ( )

e. Adults with Developmental Disabilities Waiver Services. The fees for adults with developmental disabilities waiver services described in Sections 700-706 of these rules. (4-4-13)( )

f. Adult Developmental Disabilities Home and Community-Based State Plan Option Services. The fees for Adult Developmental Disabilities Home and Community-Based State Plan Option Services described in Sections 645-657 of these rules. ( )

e. Service Coordination. The fees for service coordination described in Section 720 of these rules. (4-4-13)

f. Therapy Services. The fees for physical therapy, occupational therapy, and speech-language pathology services described in Section 215 of these rules include the use of therapeutic equipment to provide the modality or therapy. No additional charge may be made to either the Medicaid program or the client for the use of such equipment. (4-4-13)

Commented [WK1]: TSC will be covered by new section 038 – Specialized Reimbursement

Commented [WK2]: Moved from Section 038

Commented [WK3]: Therapy Services moved to 16.03.09

~~01.~~**02.** **Review Reimbursement Rates**. The Department will review provider reimbursement rates and conduct cost surveys when an access or quality indicator reflects a potential access or quality issue described in Subsections 037.~~02~~ 03 and 037.~~03~~ 04 of this rule. (4-4-13)

~~02.~~**03.** **Access**. The Department will review annual statewide and regional access reports by service type comparing the previous twelve (12) months to the base-line year of State Fiscal Year 2012. The following measures will be used to determine when there is potential for access issues. (4-4-13)

a. Compare the change in total number of provider locations for service type to the change in eligible participants; or (4-4-13)

b. When participant complaints and critical incidence logs reveal outcomes that identify access issues for a service type. (4-4-13)

~~03.~~**04.** **Quality**. The Department will review quality reports required by each program used to monitor for patterns indicating an emerging quality issue. (4-4-13)

~~04.~~**05.** **Cost Survey**. The Department will survey one hundred percent (100%) of providers. Providers that refuse or fail to respond to the periodic state surveys may be disenrolled as a Medicaid provider. The Department will derive reimbursement rates using direct care staff costs, employment related expenditures, program related costs, and indirect general and administrative costs in the reimbursement methodology, when these costs are incurred by a provider. The Department will conduct cost surveys customized for each of the services defined in Section 038 of these rules. (4-4-13)

a. Wage rates will be used in the reimbursement methodology when the expenditure is incurred by the provider type executing the program. Wages will be identified in the Bureau of Labor Statistics website at www.bls.gov when there is a comparable occupation title for the direct care staff. When there is no comparable occupation title for the direct care staff, then a weighted average hourly rate methodology will be used. (4-4-13)

b. For employer related expenditures: (4-4-13)

i. The Bureau of Labor Statistics's report for employer costs per hour worked for employee compensation and costs as a percent of total compensation for Mountain West Divisions will be used to determine the incurred employer related costs by each provider type. The website for access to this report is at www.bls.gov. (4-4-13)

ii. The Internal Revenue Service employer cost for social security benefit and Medicare benefit will be used to determine the incurred employer related costs by provider type. The website for access to this information is at www.irs.gov. (4-4-13)

c. Cost surveys to collect indirect general, administrative, and program related costs will be used when these expenditures are incurred by the provider type executing the program. The costs will be ranked by costs per provider, and the Medicaid cost used in the reimbursement rate methodology will be established at the seventy-fifth percentile in order to efficiently set a rate. (4-4-13)

38. SPECIALIZED REIMBURSEMENT: PARTICIPANT SERVICES.

The Department will evaluate provider reimbursement rates that comply with 42 U.S.C. 1396a(a)(30)(A). This evaluation will assure payments are consistent with efficiency, economy, and quality of care and safeguards against unnecessary utilization of care and services. Reimbursements will be sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services are available to the general population in the geographic area. ( )

01. Applicable Participant Services. The services provided by the following types of providers are reimbursed as provided in this section of rules: ( )

a. Residential habilitation agencies; ( )

b. Developmental disability agencies; ( )

c. [Supported employment agencies;] and ( )

d. Targeted service coordination agencies. ( )

02. Reimbursement Advisory Workgroup/Council/Committee. The Department will establish a reimbursement advisory workgroup to advise and counsel on matters related to specialized reimbursement provided for in this section of rules.

a. Organization and Membership.

i. The workgroup shall consist of [Number (#)] members appointed by the organizations and/or agencies represented on the workgroup.

ii. The chairman of the workgroup shall be appointed by the Department.

iii. The members of the workgroup shall be [as follows/determined by the bylaws of the workgroup/as described in the provider handbook].

iv. Term/length of membership?

b. Meetings.

i. The workgroup shall meet as necessary but not less than [number (#)] per year.

ii. [Meetings of the council shall be open to the public.]

c. Duties. The workgroup shall have the following duties:

i. To make recommendations and advise the Department regarding BLS occupation title or titles to be used when setting new reimbursement rates;

ii. [To review and make recommendations to the Department regarding provider retention rates;] and

iii. [Other duties to be added as rules are developed.]

Commented [WK4]: Currently listed by provider type, but may want to consider identifying applicable services instead.

Commented [WK5]: Small workgroup to discuss structure of this advisory group.

Commented [WK6]: Currently considering:
- Department Staff/Contractors
- Providers – Are there potential conflicts?
- Advocacy Group Reps (DRI and DD Council)
- Community Now! Reps
- Rate Expert
- State DOL Rep?

Commented [WK7]: If small workgroup includes cost survey/rate study trigger related to provider agency staff retention.

d. Limitation of Authority.

i. The workgroup shall only have the authority to make recommendations to the Department;

ii. The Department shall retain final decision-making authority over all matters presented to or reviewed by the workgroup.

03. Reimbursement Rate Reviews. The Department will review provider reimbursement rates and conduct cost surveys/rate studies as follows:

a. Standard Review Period. The Department will review reimbursement rates and conduct a cost survey/rate study not less than once every five (5) years for each provider type, and in accordance with the schedule established by the Department. ( )

b. Other Cost Survey/Rate Study Triggers.

04. Cost Survey/Rate Study.

a. Definitions.

i. Direct Care Staff are individuals employed by an agency who are performing duties described in the applicable service description in IDAPA 16.03.10 for at least 75% of the total amount of time they are compensated.

Commented [WK8]: Consider TSC as exception.

ii. Employee-related expenditures are all the benefits received by direct care staff of an agency. These benefits may fall into two categories – discretionary benefits and non-discretionary benefits. Non-discretionary benefits are those benefits that are mandated by a governmental authority. Discretionary benefits are those benefits that employers may elect to provide, but which are not mandated by any governmental authority.

Commented [WK9]: Consider providing examples.

iii. Program-related expenditures.

iv. Indirect general and administrative costs.

05. Reimbursement Rate Setting Methodology. Reimbursement rates will derived using a combination of four cost components – direct care staff wages, employee-related expenditures, program-related expenditures, and indirect general and administrative costs as follows:

a. Direct Care Staff Wages (DCW).

Commented [WK10]: Small workgroup also reviewing "leveling"

i. The wage component will be established using the [median/mean] hourly wage of one or more occupation titles from most current Bureau of Labor and Statistics (BLS) State Occupational Employment and Wage Estimates table for the state of Idaho found on the BLS website at www.bls.gov.

ii. The BLS occupation title that most closely aligns with the duties, education level, and supervision requirements of the direct care staff providing the service will be utilized. If more than one occupation title aligns with the duties, education level and supervision requirements of the direct care staff providing the service, then a weighted average of multiple BLS occupation titles will be utilized.

iii. The Department will make the final determination of BLS occupation title or titles to be utilized based on the recommendations of the Reimbursement Advisory Workgroup.

iv. The identified BLS hourly wage will be inflated from the BLS publication date to the midpoint of standard five (5) year review period using [wage inflation index].

b. Employee-Related Expenditures (ERE).

i. The ERE component will be established by multiplying the inflated Direct Care Staff Wage by the cumulative percentage of employer costs for employee compensation from the most current BLS Employer Costs for Employee Compensation table for the West Region in the Mountain Division and IRS Publication 15.

c. Program-Related Expenditures (PRE).

d. Indirect General and Administrative Costs (G&A).

e. Reimbursement Rate Total Per Staff Hour. The reimbursement rate for the staff hour of service is calculated as follows: DCW + (ERE % x DCW) + (PRE % x DCW) + (G&A% x Total Rate Per Hour) = Total Rate Per Hour.

06. Minimum Allocation of Reimbursements to Direct Care Workers.

07. Quality Assurance Measures.

[Sections Omitted.]

Commented [WK11]: Need to identify a wage inflation index:
- Review Navigant recommendations,
- Global Insights?
- IHS Markit Healthcare Cost Review – Wages and Salaries – West.

Commented [WK12]: Small workgroup to consider "gross-up" for smaller agencies.