

# Department of Developmental Services Vendor Rate Study

## **Results and Draft Rate Models**

– presented to –

DS Task Force Rates Workgroup

February 25 – March 1, 2019

**BURNS & ASSOCIATES, INC.**

.....  
Health Policy Consultants

- 3030 North Third Street, Phoenix, Arizona -

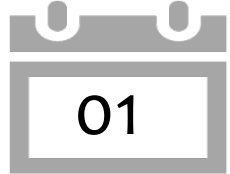
## PURPOSE OF TODAY'S MEETING

- Presenting the rate study findings and conclusions that will be included in the report being submitted to the Legislature on March 1
  - Ensure that the DS Task Force's rates workgroup and other stakeholders understand the draft rate models and related assumptions so that they can evaluate them and offer feedback
    - Comments will be accepted through March 22, 2019
    - DDS will review comments and the draft rate models may be modified as appropriate

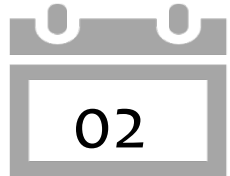
## PURPOSE OF TODAY'S MEETING (CONT.)

- DDS remains committed to a meaningful comment process
  - Rates workgroup members, Regional Centers, and Regional Center vendor advisory committee representatives are invited to submit comments through March 22
    - To facilitate an inclusive process, designated commenters are asked to consult with their colleagues/ members and to submit a consolidated set of comments
    - An optional template will be provided to organize comments; commenters are also encouraged to submit any supporting documentation
  - Potential considerations
    - Specific factors and elements in the rate models
    - Related changes to service requirements
      - Presentation includes an outline of these potential changes, but not specific language
    - Any oversights in terms of how services are currently used

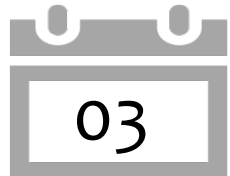
# AGENDA



PROJECT BACKGROUND



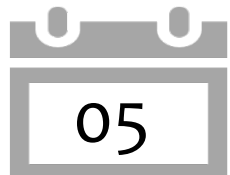
RATE STUDY OVERVIEW



RATE MODEL DEVELOPMENT

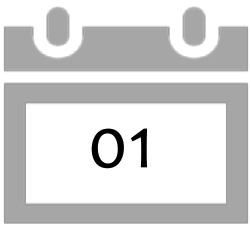


DRAFT RATE MODELS



PUBLIC COMMENT PROCESS

# PROJECT BACKGROUND



## TOPICS

- Current rate methodologies
- History of rate changes
- Legislative mandate
- Consultant project team

- Rate methodologies and practices vary across the State and across service codes
  - Variety of different rate-setting methodologies
    - For some service codes, multiple methodologies apply
  - Many service codes employ multiple billing units (for example, a daily or hourly rate)
    - Often based on local practice with one Regional Center using one unit and another Regional Center using a different unit (Regional Centers also frequently use different units for a single service code)
- Rates often vary for the same service, even within a Regional Center
  - Due to rate freezes, use of median rates, negotiation

- Rates set in statute or regulation
  - E.g., supported employment, respite worker, community-based training, FMS
- Negotiated rates
  - E.g., community integration training program, specialized residential facilities, adaptive skills trainer, behavior analyst, transportation company, supported living
- Non-negotiated rates/ rates set by cost statement
  - E.g., day programs, independent living, work activity programs, in-home respite
- Alternative Residential Model (ARM)
  - Community Care Facilities
- Usual and Customary (*excluded from rate study*)
  - E.g., recreational therapist, transportation (public/ rental car/ taxi)
- Schedule of Maximum Allowances (*excluded from rate study*)
  - E.g., physical/ occupational therapist, nursing, dentist



# HISTORY OF RATE CHANGES

Fiscal Year	Adjustment
FY2003-04	▼ Rate freezes for a number of services, including community-based day programs, in-home respite, supported living, and transportation
FY2004-05	▼ Rates for work activity programs were frozen
FY2006-07	▲ Rate increases to fund increased statewide minimum wage
	▲ 3 percent increase for a number of services with rates set by DDS or through negotiation with the Regional Centers
	▲ Targeted 3.86 percent wage enhancement for certain services provided in integrated settings
	▲ 24 percent increase for supported employment
FY2007-08	▲ Rate increases to fund increased statewide minimum wage
	▼ Rate freeze for all services with negotiated rates
FY2008-09	▼ Implementation of statewide median rates that set a limit on negotiated rates for new providers
	▼ 10 percent reduction for supported employment

## HISTORY OF RATE CHANGES (CONT.)

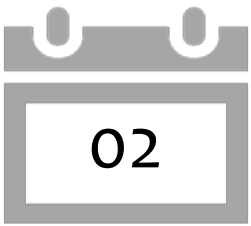
Fiscal Year	Adjustment
FY2009-10	▼ 3 percent reduction for all services except for supported employment and usual and customary rates
FY2010-11	▼ 1.25 percent reduction for all services except for supported employment and usual and customary rates
FY2011-12	Institution of updated statewide median rates
FY2012-13	▲ Restoration of 3 percent reduction
FY2013-14	▲ Restoration of 1.25 percent reduction
FY2014-15	▲ Rate increases to fund increased statewide minimum wage
	▲ 5.82 percent increase for in-home respite, supported living, and personal assistance due to change in federal overtime rules

- ABX2-1 [2015-2016 2<sup>nd</sup> Ex. Sess., Ch. 3, Cal. Stat. 2016] appropriated \$244.9 million from the General Fund for DDS vendor rate increases; including federal funds, rates were increased more than \$400 million
  
- ABX2-1 also added §4519.8 to the Welfare and Institutions Code, requiring a rate study
  - Consult with stakeholders through the DS Task Force
  - Consider sustainability, quality, and transparency of services
  - Assessment of the effectiveness of rate-setting methods
    - Adequacy of provider network/ choice of providers for consumers
    - Fiscal impact
    - Incentivizing outcomes for consumers
  - Evaluate number and type of service codes

- Burns & Associates, Inc. (B&A) awarded contract to conduct the rate study in June 2017
  - Health policy consultants specializing in assisting State Medicaid agencies and related agencies (developmental disabilities and behavioral health authorities)
  - Significant focus in the intellectual and developmental disabilities field
    - Rate-setting
    - Using assessments to inform individualized budgets and provider rates
    - Program operations, including fiscal analyses and funding, writing service definitions, updating billing rules and guidelines, and developing implementation approaches
  - Conducted I/DD rate studies in Arizona, Georgia, Hawaii, Maine, Mississippi, New Mexico, Oregon, Rhode Island, Vermont, and Virginia

- B&A joined by two subcontractors
  - Human Services Research Institute (HSRI)
    - Non-profit working in the I/DD field since 1976
    - Emphases include quality improvement, systems design promoting person-centered thinking, self-direction, and community integration
  - Mission Analytics Group
    - San Francisco-based firm with focuses on long-term services and supports; developmental disabilities; children, youth, and families; and health care delivery
    - DDS' risk management contractor since 2005

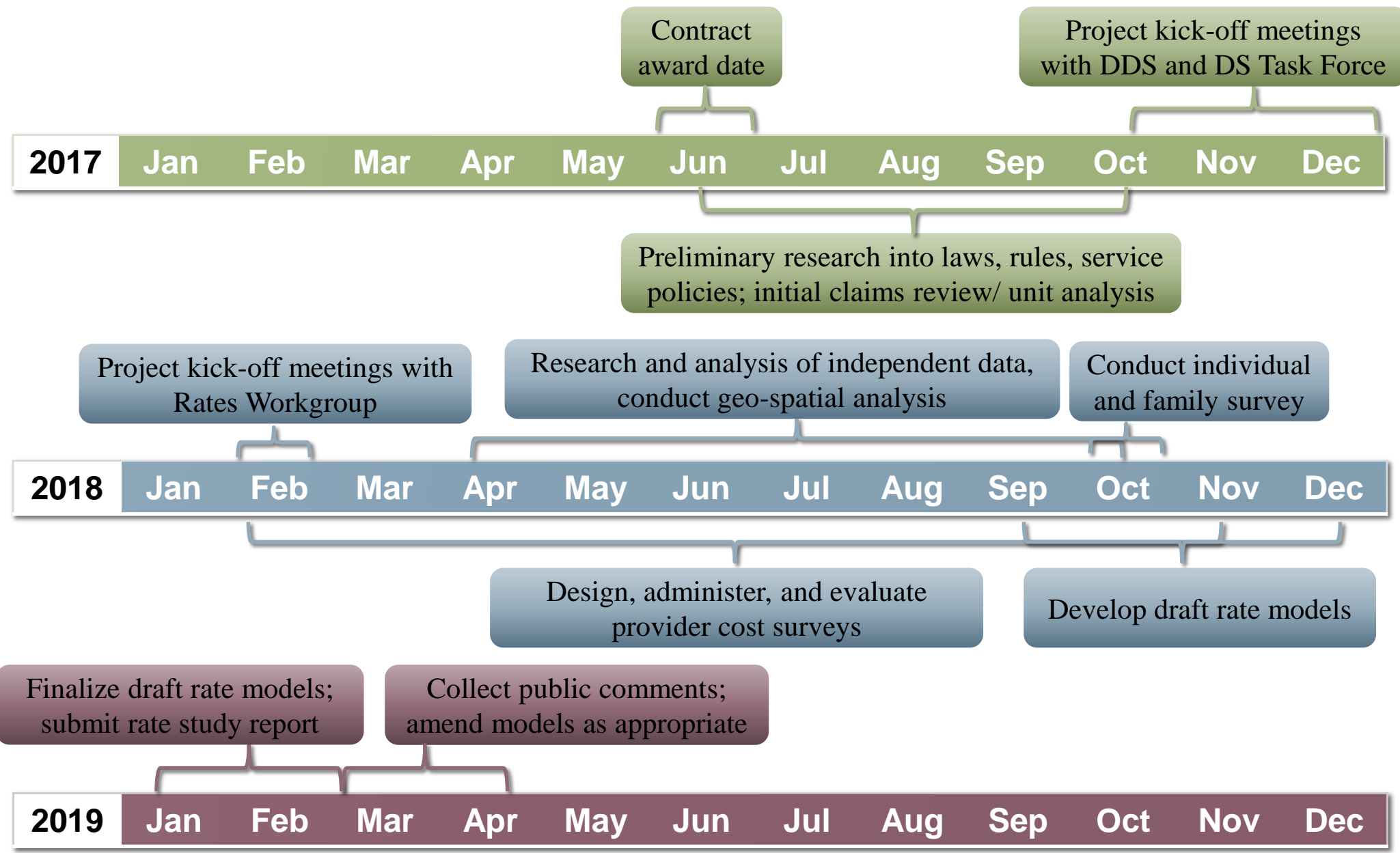
# RATE STUDY OVERVIEW



## TOPICS

- Project timeline
- Project principles
- Independent rate models
- Data collection

# PROJECT TIMELINE





- Support programmatic goals
  - Compliance with applicable requirements (e.g., HCBS Final Rule, federal Fair Labor Standards Act)
  - Service quality
  - Provider network
- *Rates by themselves cannot achieve these goals, but are an integral component*
- Streamline operations
  - Efficient payment structures
  - Simplified service system
- *Increase standardization in terms of service code usage, service requirements, billing units, and rates*

- Provide meaningful opportunities for stakeholder involvement
  - Multiple meetings with DS Task Force's Rates Workgroup
  - Presentations to various provider and stakeholder groups
  - Provider survey to collect data about service design and costs
  - Provider site visits to observe program operations
  - Individual and Family Survey
  - Comment period

- Utilize independent rate setting approach
  - Rate models are constructed in consideration of costs providers face in delivering a particular service consistent with the state's requirements
  - Data is collected from a variety of sources rather than any single source
    - State policies, rules, and standards
    - Provider and stakeholder input (e.g., provider survey)
    - Published sources (e.g., BLS wage data, IRS mileage rates)
    - Special studies (e.g., analysis of regional variations)
  - Rate models are developed independent of budgetary considerations

Five Factors in all HCBS Rates	Factors that Vary by Service
<ul style="list-style-type: none"> <li>▪ Direct care worker wages</li> </ul>	<ul style="list-style-type: none"> <li>▪ Transportation-related costs</li> </ul>
<ul style="list-style-type: none"> <li>▪ Direct worker benefits</li> </ul>	<ul style="list-style-type: none"> <li>▪ Attendance/ occupancy</li> </ul>
<ul style="list-style-type: none"> <li>▪ Direct care worker productivity</li> </ul>	<ul style="list-style-type: none"> <li>▪ Staffing ratios</li> </ul>
<ul style="list-style-type: none"> <li>▪ Program support</li> </ul>	<ul style="list-style-type: none"> <li>▪ Rent for program facilities</li> </ul>
<ul style="list-style-type: none"> <li>▪ Administration</li> </ul>	<ul style="list-style-type: none"> <li>▪ Others as appropriate</li> </ul>

- A single service may have several rates due to a variety of factors
  - Individuals' levels of need
  - Group size (due to consumer need or other reasons)
  - Service setting (e.g., facility or community-based)
  - Service duration (e.g., short v. long encounters; part-day v. full-day)
  - Staff qualifications and training (e.g., LVN v. RN)
  - Geography (e.g., urban and rural)

# INDEPENDENT RATE MODELS - EXAMPLE

- Example is for Independent Living Services
- Rate models are accompanied by appendices that further detail assumptions
  - Regional adjustments
  - Wages
  - Benefit packages
  - ‘Typical’ work weeks
  - Wage stipends
- Assumptions are not mandates (e.g., a provider would not have to pay the wage assumed in the rate model)

	Unit of Service	Hour
Direct Support Staff Wages and Benefits	- Direct Staff Hourly Wage	\$14.89
	- Employee Benefit Rate (as a percent of wages)	30.60%
	Hourly Staff Cost Before Productivity Adj. (wages + benefits)	\$19.45
	<i>Productivity Assumptions</i>	
	Total Hours	40.00
	- Travel Time Between Individuals	1.33
	- Recordkeeping and Reporting	0.89
	- Supervision and Other Time	0.89
	- Training	0.67
	- Paid Time Off	3.85
"Billable" Hours	32.37	
Productivity Adjustment	1.24	
	<b>Staff Cost After Productivity Adj. per Billable Hour</b>	<b>\$24.12</b>
Mileage	- Number of Miles Traveled per Week	100
	- Amount per Mile	\$0.580
	Weekly Mileage Cost	\$58.00
	<b>Mileage Cost per Billable Hour</b>	<b>\$1.79</b>
Supervision	- Supervisor Hourly Wage	\$21.04
	- Supervisor Benefit Rate	25.12%
	Weekly Cost of Equipment and Supplies	\$1,053.01
	- Number of Direct Staff Supervised	10
	<b>Supervision Cost per Billable Hour</b>	<b>\$3.25</b>
Admin. and Prog. Ops.	- Program Operations Funding per Day	\$10.00
	<b>Program Operations Cost per Billable Hour</b>	<b>\$1.54</b>
	- Administration Percent	12.0%
	<b>Administrative Cost per Billable Hour</b>	<b>\$4.19</b>
	<b>Rate per Hour</b>	<b>\$34.89</b>

- Equity
  - Providers would receive the same rate for delivering the same service in the same area, rather than rates that vary based on a providers' historical costs, negotiating prowess, or date when they began delivering services
- Transparency
  - Models specify the factors, values, and calculations that produce the overall rate
  - Stakeholders may not agree with all assumptions, but they should understand them
- Ability to advance policy goals/ objectives
  - Examples could include improving direct care staff salaries or benefits, increasing staff training, lowering staff-to-consumer ratios, incentivizing services delivered in the natural environments, etc.
- Efficiency in adjusting rates
  - Models can be adjusted to update specific cost factors based on newer data (subject to available funding)

- Review published materials
  - Statutes and regulations governing DDS services (Welfare and Institutions Code/ Lanterman Act, California Code of Regulations)
  - Regional Center policy manuals
  - Previous studies and reports related to payment rates
  
- Analysis of purchase of service, consumer, and rate data
  - Identify billing units, average rates, and utilization patterns

- Designed to gather data regarding service delivery and costs
  - Wage and benefit costs
  - ‘Productivity’ (i.e., amount of time direct care workers spend providing direct care vs. other activities, such as non-billable recordkeeping)
  - Cost of facilities, including rents, maintenance, utilities, etc.
  - Staffing ratios
  - Miles driven transporting recipients or traveling between encounters
- Developed in close collaboration with DDS and Rates Workgroup
  - 1<sup>st</sup> Survey covering most services in Rate Study administered from May to August 2018 (originally planned for 6 weeks, extended beyond 10 weeks)
  - 2<sup>nd</sup> Survey (Specialized Therapeutic Services) administered from September to October 2018



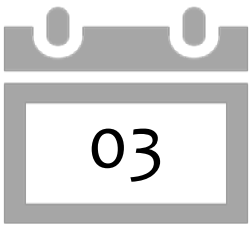
- All ‘agency’ providers administering in-scope services invited to participate
  
- Technical assistance
  - Both surveys supported by detailed instruction manuals and recorded webinars to walk through each page of the survey
  - Technical assistance provided to hundreds of providers through phone and email support
  
- Overall response rate (as a percentage of fiscal year 2017 claims revenue) was 52%
  - Over 1,100 organizations (20% of all organizations with fiscal year 2017 POS claims) representing 4,600 vendor IDs responded

- Designed to offer an opportunity for persons with disabilities and their families to share their perspectives about issues related to their services
  - Asked to rate factors as ‘good’, ‘fair’, or ‘poor’
    - Experiences accessing and receiving services
    - Opinions regarding supports provided by staff
    - Information about themselves/ family members (e.g., level of support need, what is important to them)
  
- Developed in collaboration with an advisory group established for this purpose
  - Translated in 16 languages
  - Available online from October 4 through October 28, 2018

- Received 1,732 responses
  - 1,331 family members, 258 persons with a disability, and 143 others
  
- Findings
  - ~ 70% of respondents reported that staff are ‘good’ at supporting them to be in charge of their personal support, to make choices about their life, to do what they like to do, to be more independent, to get around in the community, and to have friendships
    - Fewer than 10% of respondents rated these experiences as ‘poor’
  - Fewer than 50% of respondents reported their experience as ‘good’ regarding finding available services, qualified staff, and specialized services, and with choosing or changing staff
    - Unclear if responses were limited to Regional Center services

- Federal and state laws governing labor requirements, including minimum wage levels and sick time requirements
- Wages – Bureau of Labor Statistics (BLS) National Compensation Survey
- Benefits – BLS Employee Benefits Survey; U.S. Dept. of Health and Human Services Medical Expenditure Panel Survey
- Travel costs – IRS mileage rates; geo-spatial analysis of time and distances between providers and consumers
- Commercial real estate costs – Loopnet (CoStar Group) and Collier International lease cost reports

# RATE MODEL DEVELOPMENT



## TOPICS

- Wage Assumptions
- Payroll Tax and Fringe Benefit Assumptions
- Productivity Assumptions
- Administration and Program Operations
- Accounting for Regional Differences

- See Appendix B of the rate model packet
  
- Begins with BLS wage data
  - *Comprehensive.* Wage levels are published for more than 800 occupations based on data from 1.2 million establishments representing 57% of the employment in the United States
  - *Cross-industry.* It is not limited to a single industry so estimates for a given occupation are representative of the overall labor market
  - *Regularly updated.* Released once per year – in late March for the previous May (so most recent data published in March 2018 reflects May 2017 survey data)
  - *State- (and local-) specific.* Data is published for individual states and sub-state regions (‘metropolitan statistical areas’)

- Consideration of statewide minimum wage
  - BLS data reflects period with a \$10 State minimum wage
  - State fiscal year 2019-20 will have a \$13 State minimum wage
- Adjusting BLS wages to account for the rising minimum wage
  - Account for ‘spillover’...
    - Research demonstrates that minimum wage increases extend beyond those earning the minimum (for example, someone currently earning \$13.50 per hour will likely need some raise as the minimum increases to \$13.00)
  - ... while recognizing wage compression
    - Pay raises will decline as starting wage increases (for example, the individual currently earning \$13.50 is expected to get a raise, but not the full \$3.00 per hour that the minimum wage is increasing)



- Example: BLS wages prior to adjustment for minimum wage changing from \$10.00 to \$13.00

BLS SOC	BLS Title	10 <sup>th</sup> Percentile	25 <sup>th</sup> Percentile	50 <sup>th</sup> Percentile	75 <sup>th</sup> Percentile	90 <sup>th</sup> Percentile
31-1011	Home health aides	\$10.50	\$11.28	\$13.06	\$17.78	\$23.34
31-1013	Psychiatric aides	\$11.51	\$12.87	\$14.48	\$17.39	\$21.78
31-1014	Nursing assistants	\$11.42	\$12.81	\$14.84	\$18.38	\$23.31
31-9092	Medical assistants	\$12.04	\$13.81	\$16.66	\$20.34	\$25.19
39-9021	Personal care aides	\$10.34	\$10.71	\$11.41	\$12.36	\$16.18
39-9032	Recreation workers	\$10.43	\$11.25	\$13.12	\$16.53	\$21.00
39-9041	Residential advisers	\$10.61	\$12.35	\$14.95	\$18.53	\$22.86

## WAGE ASSUMPTIONS (CONT.)

- Assumed impact of increasing statewide minimum wage (accounting for spillover and compression)

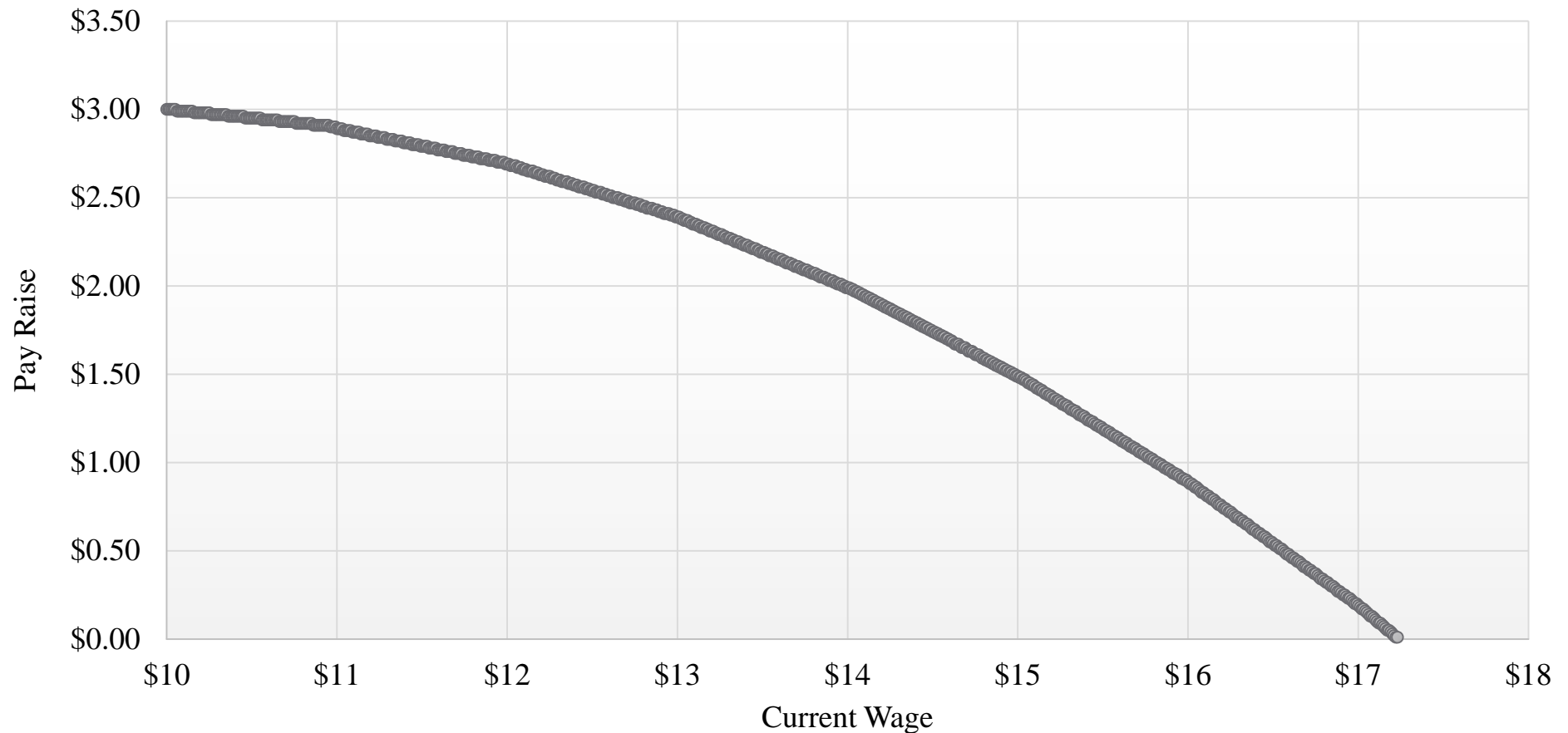
Current Wage in \$1.00 Increments	% of Marginal Dollar 'Captured' as Part of Wage Increase	Marginal Dollar Amount 'Captured' as Part of Wage Increase	Cumulative Wage Increase (in Relation to \$13.00)	Revised Wage
<b>\$10.00</b>	100%			<b>\$13.00</b>
<b>\$10.01 - \$10.99</b>	90%	\$0.89	\$0.89	<b>\$13.01 - \$13.89</b>
<b>\$11.00 - \$11.99</b>	80%	\$0.80	\$1.69	<b>\$13.89 - \$14.68</b>
<b>\$12.00 - \$12.99</b>	70%	\$0.70	\$2.39	<b>\$14.69 - \$15.38</b>
<b>\$13.00 - \$13.99</b>	60%	\$0.60	\$2.99	<b>\$15.39 - \$15.98</b>
<b>\$14.00 - \$14.99</b>	50%	\$0.50	\$3.49	<b>\$15.99 - \$16.49</b>
<b>\$15.00 - \$15.99</b>	40%	\$0.40	\$3.89	<b>\$16.49 - \$16.89</b>
<b>\$16.00 - \$16.99</b>	30%	\$0.30	\$4.19	<b>\$16.89 - \$17.19</b>
<b>\$17.00 - \$17.23</b>	20%	\$0.20	\$4.39	<b>\$17.19 - \$17.24</b>

## WAGE ASSUMPTIONS (CONT.)

- Assumed impact of increasing statewide minimum wage (accounting for spillover and compression) – Examples

	% of Marginal Dollar 'Captured' as Part of Wage Increase	Example 1	Example 2	Example 3
<b>Current Wage</b>		<b>\$12.50</b>	<b>\$14.80</b>	<b>\$17.00</b>
<b>\$10.00</b>	100%			
<b>\$10.01 - \$10.99</b>	90%	\$0.89	\$0.89	\$0.89
<b>\$11.00 - \$11.99</b>	80%	\$0.80	\$0.80	\$0.80
<b>\$12.00 - \$12.99</b>	70%	\$0.35	\$0.70	\$0.70
<b>\$13.00 - \$13.99</b>	60%	-	\$0.60	\$0.60
<b>\$14.00 - \$14.99</b>	50%	-	\$0.40	\$0.50
<b>\$15.00 - \$15.99</b>	40%	-	-	\$0.40
<b>\$16.00 - \$16.99</b>	30%	-	-	\$0.30
<b>\$17.00 - \$17.23</b>	20%	-	-	-
<b>Total Increase (Over \$13.00)</b>		<b>\$2.04</b>	<b>\$3.39</b>	<b>\$4.19</b>
<b>Adjusted Wage</b>		<b>\$15.04</b>	<b>\$16.39</b>	<b>\$17.19</b>

- Assumed impact of increasing statewide minimum wage (accounting for spillover and compression)



- Example: BLS wages adjusted for \$13.00 minimum wage

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31-1013	Psychiatric aides	\$14.30	\$15.30	\$16.23	\$17.39	\$21.78
31-1014	Nursing assistants	\$14.23	\$15.26	\$16.41	\$18.38	\$23.31
31-9092	Medical assistants	\$14.72	\$15.88	\$17.09	\$20.34	\$25.19
39-9021	Personal care aides	\$13.31	\$13.64	\$14.22	\$14.94	\$16.94
39-9032	Recreation workers	\$13.39	\$14.09	\$15.46	\$17.05	\$21.00
39-9041	Residential advisers	\$13.55	\$14.94	\$16.47	\$18.53	\$22.86

- Blue cells – adjusted for minimum wage

- Most recent BLS data reflects May 2017
  
- Rate models adjust wage data to account for wage inflation
  - According to the Bureau of Economic Analysis, the ten-year compound annual growth rate in wages (net earnings) in California is 3.6%
  - Wages are inflated to January 2020, for an aggregate increase of 9.89%
  
- BLS wages are adjusted based on the larger of the assumed minimum wage increase or the calculated inflationary adjustment
  - Intersection occurs at \$15 – wages below this level receive the minimum wage adjustment and wages above receive the inflationary adjustment

- Comparison of minimum wage and inflationary increases



- Example: BLS wages adjusted for \$13.00 minimum wage and inflation

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31-1014	Nursing assistants	\$14.23	\$15.26	\$16.41	\$20.20	\$25.62
31-9092	Medical assistants	\$14.72	\$15.88	\$18.31	\$22.35	\$27.68
39-9021	Personal care aides	\$13.31	\$13.64	\$14.22	\$14.94	\$17.78
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39-9041	Residential advisers	\$13.55	\$14.94	\$16.47	\$20.36	\$25.12

- Blue cells – adjusted for minimum wage
- Yellow cells – adjusted for inflation
- Green cells – inflationary adjustment ‘overrode’ minimum wage adjustment



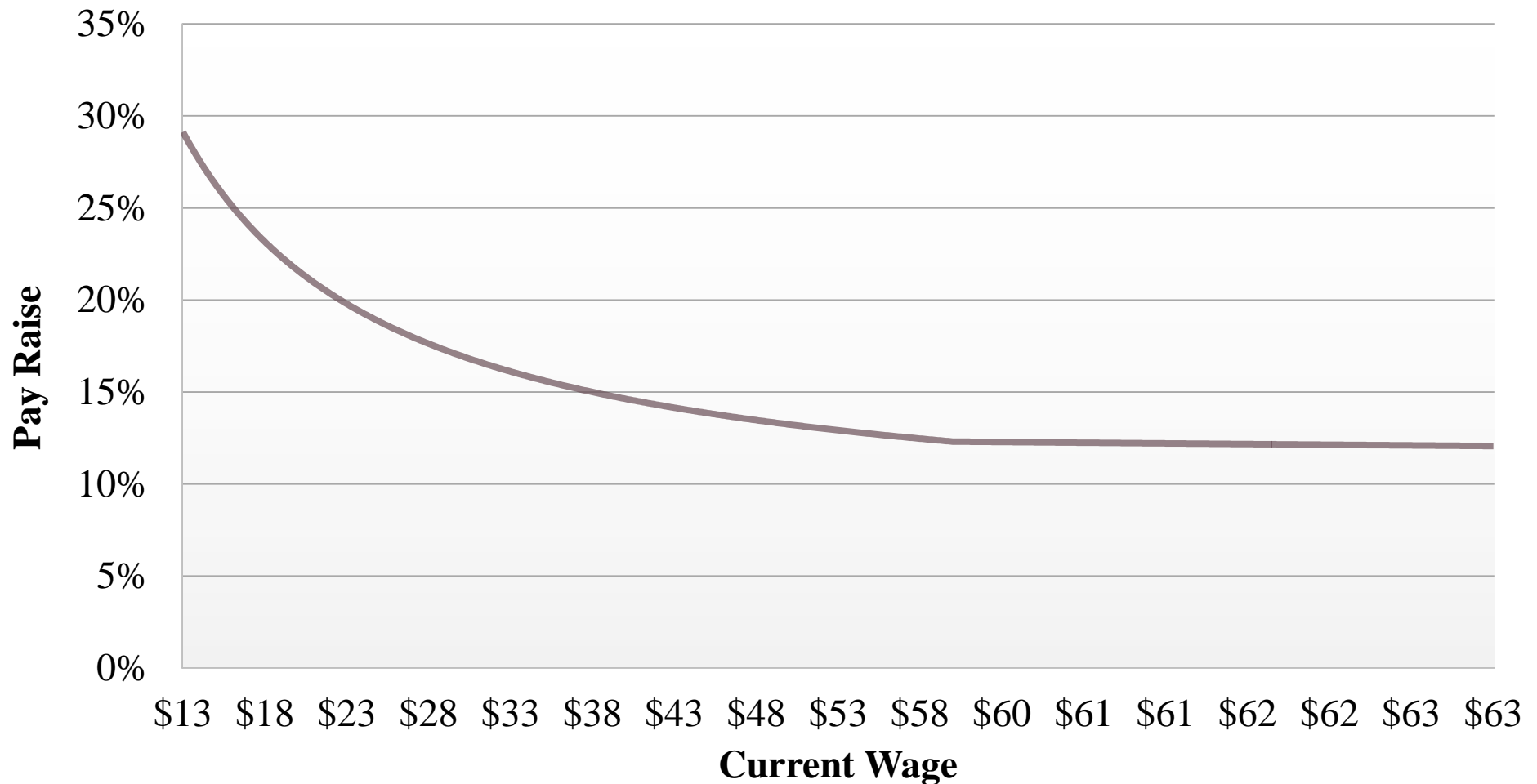
- Most HCBS do not have one-to-one match with BLS occupations
  - Rate model wage assumptions reflect a weighted mix of BLS occupations based on comparison of service requirements and BLS occupational descriptions
    - Example: Direct Support Professional

BLS Standard Occupational Classification	Weighting	Median Wage (Adjusted)
39-9021 Personal Care Aide	55%	\$14.22
31-1011 Home Health Aide	15%	\$15.43
31-1013 Psychiatric Aide	15%	\$16.23
39-9032 Recreation Worker	15%	\$15.46
<b>Weighted Avg. (Rate Model Assumption)</b>		<b>\$14.89</b>

- See Appendix C of the rate model packet
- Benefit assumptions for direct care staff
  - 25 paid days off per year (holiday, vacation, and sick leave)
  - \$360.00 per month for health insurance (based on an assumed employer cost of \$450.00 for an employee-only plan with an 80% take-up rate)
  - \$100.00 per month for other benefits (e.g., retirement, dental, etc.)
- Payroll taxes
  - Social Security and Medicare payroll
  - Unemployment Insurance
    - Federal tax at 0.60% on first \$7,000 in wages
    - State tax at 3.40% (new employer rate in 2019) on first \$7,000 in wages
  - Employer Training Tax at 0.10% on first \$7,000 in wages
  - Workers' compensation based on Workers' Compensation Insurance Rating Bureau's Advisory Pure Premium Rates with an assumed 11.5% decrease plus 12% for insurers' administration/ overhead

- Benefit assumptions are translated to benefit rates by wage level
  - Rate models include the same benefit assumptions for all direct care staff
  - Paid time off is treated as a productivity adjustment (reduction in billable hours) rather than calculated as part of the benefit rate
  - Since certain benefit assumptions are fixed the benefit rate declines as the wage increases
    - For example, the \$360.00 assumed for health insurance represents a larger percentage of the wage of someone making \$15 per hour than for someone earning \$50 per hour

- Benefit rate assumed in rate models, by wage level (excludes workers' compensation and paid time off)

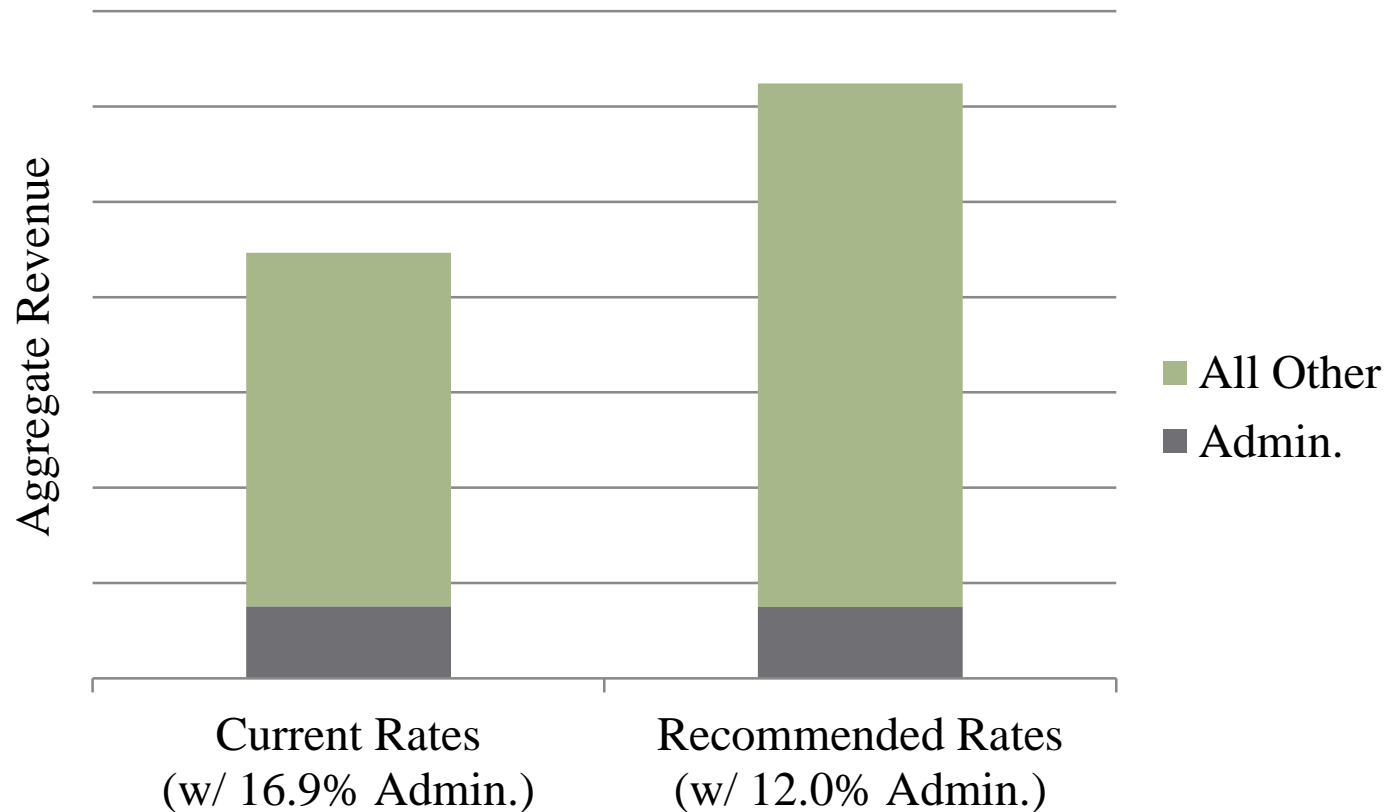


- See Appendix D of the rate model packet
- ‘Productivity adjustments’ are intended to recognize costs associated with direct care workers’ non-billable responsibilities
  - Non-billable activities include training, travel, documentation, employer time (e.g., staff meetings), etc.
  - Example
    - An employee earning \$15 per hour (wages and benefits) and working 40 hours per week is paid \$600 per week
    - However, if the employer can only bill for 30 hours per week, a productivity adjustment of 1.33 is required (work hours divided by billable hours)
    - Thus, the agency must be able to bill \$20 per service hour (\$15 multiplied by 1.33) to cover the cost of the wages and benefits

- Assumptions vary by service and are detailed both in Appendix D and the rate models themselves
- General standards
  - All services include 200 annual hours for paid time off (25 days as noted in the benefits assumptions section), which translates to 3.85 hours per week
  - DSP-type services generally include 35 annual hours for training, which translates to 0.67 hours per week
  - Most services include 1.00 hour per week for supervision and other employer time
- Assumptions for travel, set-up/ clean-up, recordkeeping, missed appointments, job development, and collateral contacts are more variable across services

- Rate models include funding for agency administration and program operations expenses
  - Administration funds activities that are not program-specific
    - Examples include executive management, accounting, human resources
  - Program operations funds activities that are program-specific, but not billable
    - Examples include supervision, training, and program development

- Rate models generally include 12.0% of total rate for administration
  - Although the administrative *rate* is less than the 16.9% reported by provider survey respondents, administrative funding *amount* is equivalent because the 12.0% rate applies to a larger spending base





- DSP/ paraprofessional services generally include a specific assumption for supervision, the most significant element of program operations
  - Funded at 1 supervisor for every 10 DSPs/ paraprofessionals
- Other program operations funded as a fixed daily amount to properly fund group and lower-wage services
  - Services generally provided on a one-to-one basis with supervision in the model funded at \$10 per day per direct care worker
  - Services generally provided on a one-to-one basis without supervision in the model funded at \$20 per day per direct care worker
  - Services generally provided to groups funded at \$20 per day per direct care worker
  - Transportation funded at \$5 per trip (\$10 per day assuming two trips)
  - Residential services funded at \$10 per day per participant
- Overall, assumptions represent an estimated 58% increase in funding for program operations

- See supplemental report and Appendix A of the rate model packet
- In order to support the supply of providers across California, rates models take into account regional differences in costs in three areas
  - Wages
  - Travel
  - Real Estate
- A ‘base’ rate model is established for each service
  - Regional Center rates are derived from the base rate models with the application of regional adjustment factors for the three specified areas
    - For each factor, Regional Centers are categorized into one of three categories (A, B, or C), which are associated with a regional adjustment factor
    - For example, the Category A adjustment factor for wages is 95%, meaning that the rate model for Regional Centers assigned to Category A use a wage value that is 95% of the value assumed in the base model

- Wages
  - Most wage assumptions in the base rate models are derived from statewide median wage values from the Bureau of Labor Statistics
    - In some circumstances a higher wage level is used (e.g., lead DSPs in residential programs are funded at the 75<sup>th</sup> percentile)
    - BLS wages (median or otherwise) are adjusted for the increasing statewide minimum wage and general wage growth (discussed earlier in this section)
  - Regional Center adjustment factors are based on a comparison of the overall median wage in the applicable regional level data compared to the statewide median
    - Considered overall median wage rather than occupation-by-occupation wages because regional-level data is not available for all occupations due to BLS data suppression policies
    - Since the overall median is a function of both prevailing wage differences and the mix of occupations, the analysis seeks to isolate wage differences

- Illustration of approach to isolating wage differences

Occupation	Statewide		Region 1		Region 2	
	Count	Wage	Count	Wage	Count	Wage
Software Engineer	100	\$82.00	80	\$80.00	20	\$90.00
Housekeeper	100	\$24.00	20	\$20.00	80	\$25.00
<b>Average</b>	<b>200</b>	<b>\$53.00</b>	<b>100</b>	<b>\$68.00</b>	<b>100</b>	<b>\$38.00</b>
<b>% of Statewide Avg.</b>				<b>128.3%</b>		<b>71.7%</b>

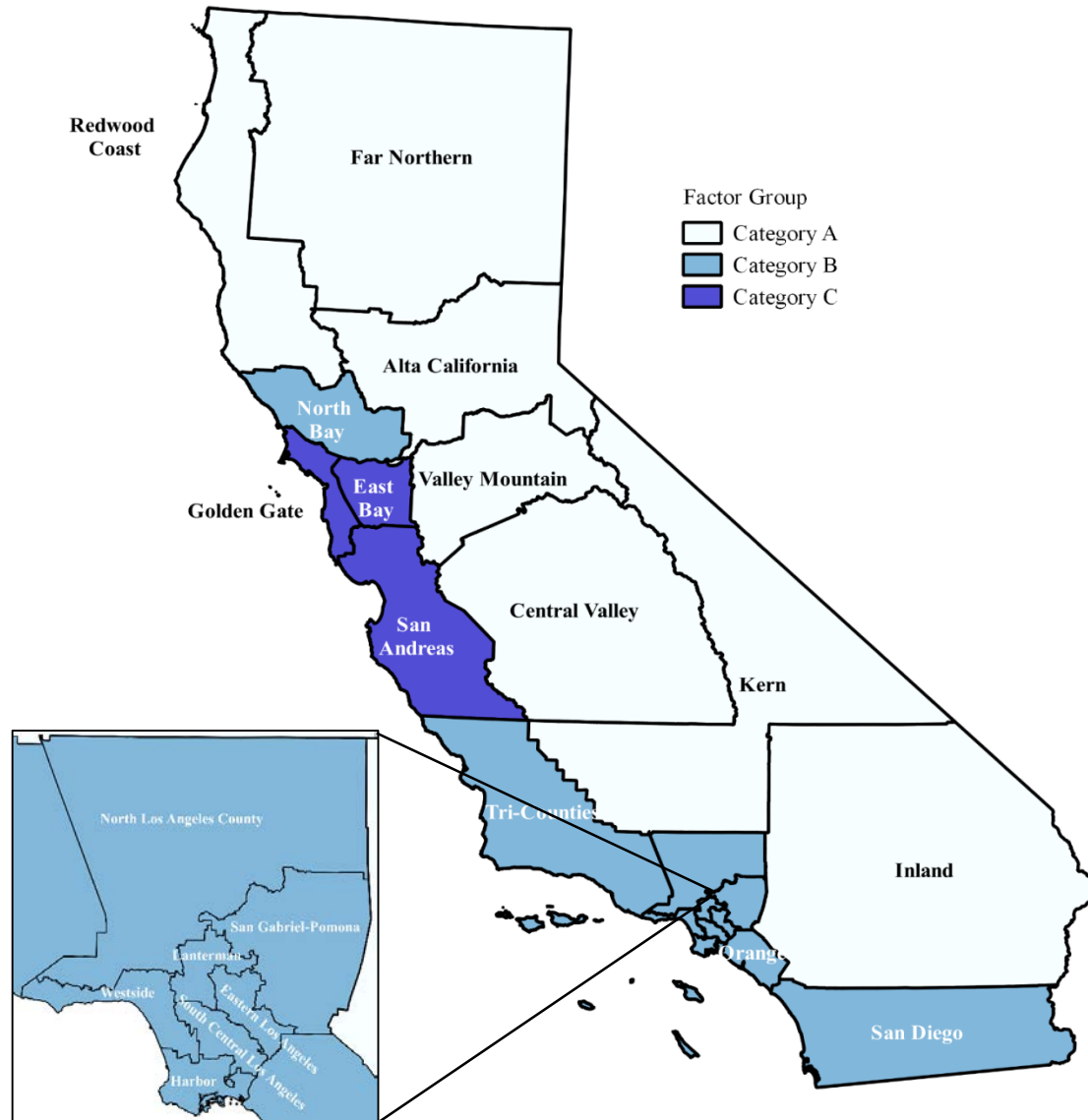
- Reviewing the average wage alone suggests that Region 1 is the higher wage area
- However, this is due to differences in the *job mix* rather than higher wages

- Illustration of approach to isolating wage differences (*cont.*)

Occupation	Statewide		Region 1		Region 2	
	Count	Wage	Count	Wage	Count	Wage
Software Engineer	100	\$82.00	80	\$80.00	20	\$90.00
Housekeeper	100	\$24.00	20	\$20.00	80	\$25.00
<b>Average</b>	<b>200</b>	<b>\$53.00</b>	<b>100</b>	<b>\$68.00</b>	<b>100</b>	<b>\$38.00</b>
<i>Adjustment for Differences in Job Mix</i>						
Software Engineer	100 (50%)	\$82.00	<del>80</del> 50%	\$80.00	<del>20</del> 50%	\$90.00
Housekeeper	100 (50%)	\$24.00	<del>20</del> 50%	\$20.00	<del>80</del> 50%	\$25.00
<b>Adjusted Average</b>		<b>\$53.00</b>		<b>\$50.00</b>		<b>\$57.50</b>
<b>% of Statewide Avg.</b>				<b>94.3%</b>		<b>108.5%</b>

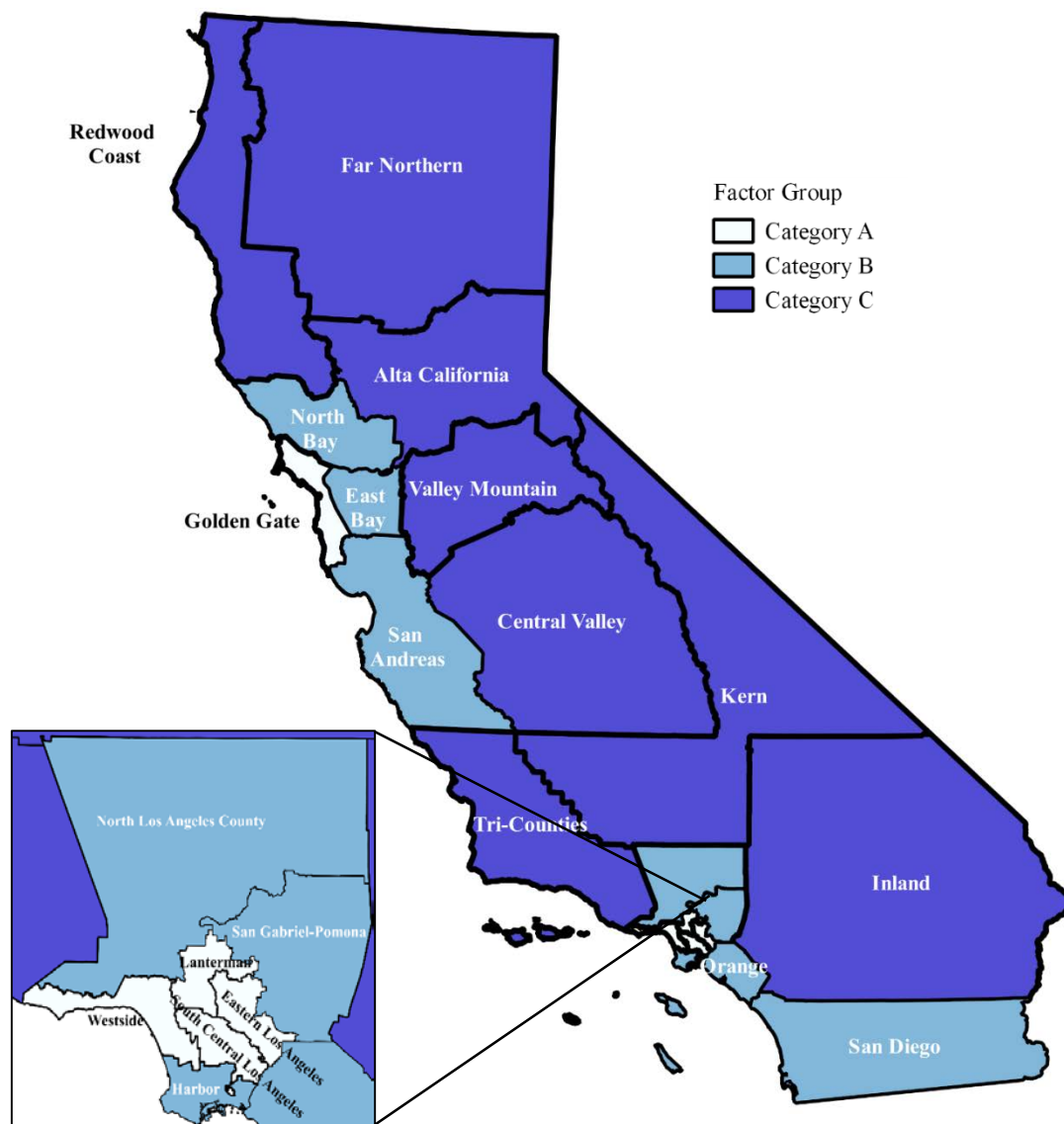
- Adjusting for the different job mixes demonstrates that Region 2 is the higher wage area
  - This fact is evident by comparing each region's wage for individual occupations to the statewide figure

- Map of wage 'category' assignments



- Travel
  - Travel assumptions in the base rate models are generally derived from figures reported in the provider survey
  - Regional Center adjustment factors are based on a comparison of average driving time/ distance between vendors and individuals compared to the statewide figure
    - Consumer and vendor addresses extracted from DDS data
    - Consumer and vendors ‘paired’ based on FY2017 POS claims data
    - Bing mapping services used to geo-plot addresses, then average driving distances and driving times are calculated
  - Separately, Census data used to calculate population density for each Regional Center and regions were categorized based on this data
  - Final categorization reflects the higher of the two categorizations

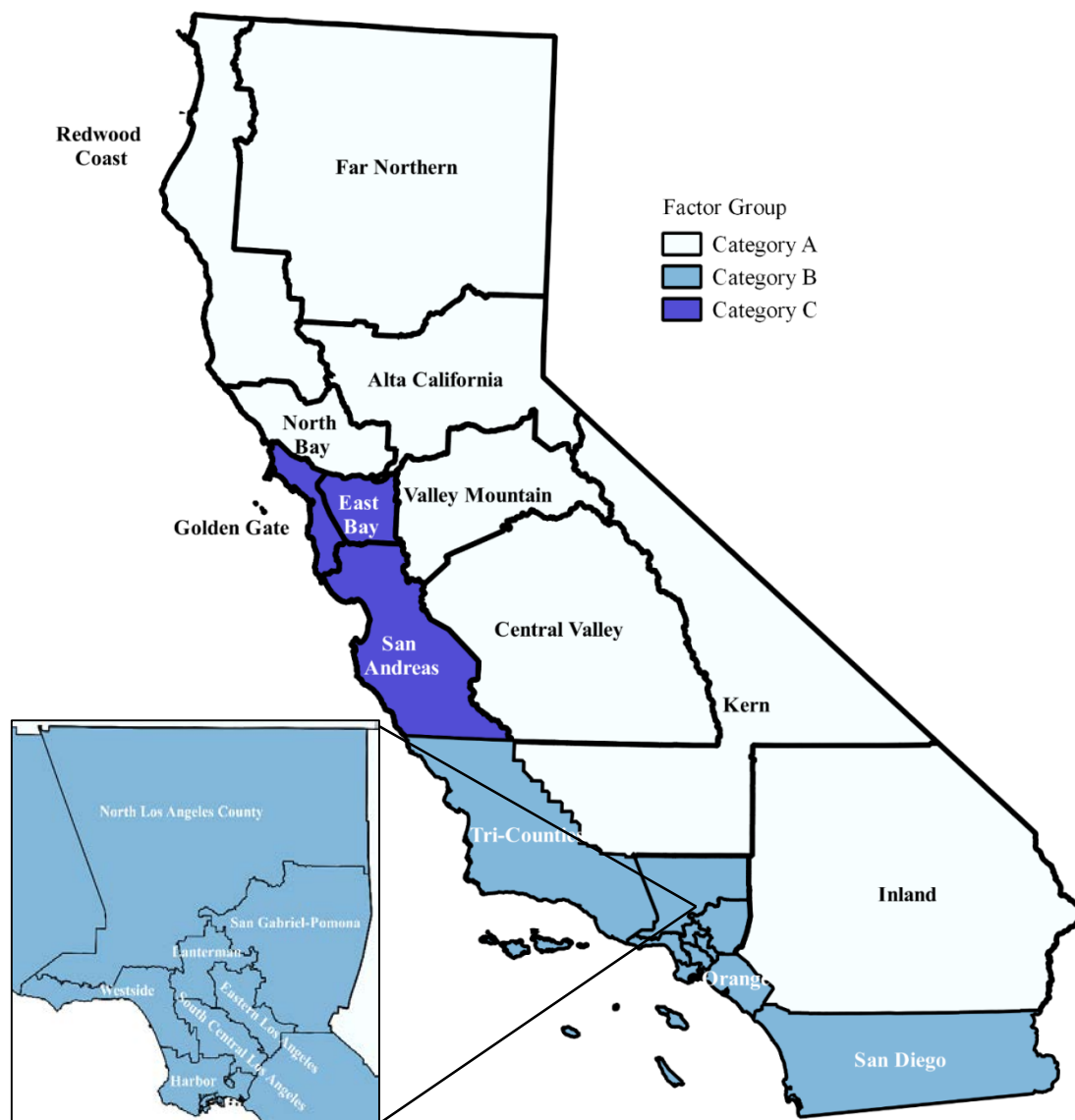
- Map of travel 'category' assignments





- Real Estate
  - Real estate assumptions in the base rate models are generally derived from figures reported in the provider survey
  - Regional Center adjustment factors are based on a comparison of median commercial real estate lease cost per square foot compared to the statewide figure
    - Based on LoopNet (subsidiary of CoStar Group) and Colliers International lease cost data

- Map of real estate 'category' assignments



- Base rate regional adjustment factors

Category	Wages	Travel	Real Estate
Category A	95%	90%	80%
Category B	100%	105%	115%
Category C	115%	125%	130%

- Regional Center base rate adjustment factor assignments

Regional Center	Wages	Travel	Commercial Real Estate
Alta	Category A	Category C	Category A
Central Valley	Category A	Category C	Category A
East Bay	Category C	Category B	Category C
Far Northern	Category A	Category C	Category A
Golden Gate	Category C	Category A	Category C
Inland	Category A	Category C	Category A
Kern	Category A	Category C	Category A
Eastern Los Angeles	Category B	Category A	Category B
Frank D. Lanterman	Category B	Category A	Category B
Harbor	Category B	Category B	Category B
North Los Angeles	Category B	Category B	Category B

- Regional Center base rate multiplier assignments (cont.)

Regional Center	Wages	Travel	Commercial Real Estate
San Gabriel Pomona	Category B	Category B	Category B
South Central Los Angeles	Category B	Category A	Category B
Westside	Category B	Category A	Category B
North Bay	Category B	Category B	Category A
Orange County	Category B	Category B	Category B
Redwood Coast	Category A	Category C	Category A
San Andreas	Category C	Category B	Category C
San Diego	Category B	Category B	Category B
Tri-Counties	Category B	Category C	Category B
Valley Mountain	Category A	Category C	Category A

# DRAFT RATE MODELS

- Disparities
  
- Service Quality
  
- Draft rate models and related service requirement changes
  - Personal Supports and Training
  - Residential Support Services
  - Day, Employment, and Transportation Services
  - Behavioral and Professional Support Services

- Geographic disparities
  - Development of regional adjustment factors to account for cost differences and support the viability of services across California
  
- Demographic disparities – ongoing analysis and reporting finds disparities based on race/ ethnicity and language, which was supported by the individual and family survey
  - Require that all staff receive cultural sensitivity training
    - Part of the proposed 70-hour requirement for all staff
  - Development of higher rates for staff serving individuals who do not speak English in that individual's language (including sign language)
    - DDS to develop criteria for demonstrating fluency
    - Rate is based on an assumed stipend of \$100 per month (\$0.58 per hour)



- As noted earlier, draft rate models include a substantial increase for program operations funding in order to support investments in quality
  
- Additionally, one of the most significant determinants of service quality is the skills and abilities of the direct care worker
  - Base rate models reflect the importance of direct care workers
    - Establishing minimum training requirements (70 hours in first two years of employment) for all DSP-type services
    - Market-based wages, taking into account changes in statewide minimum wage (discussed in previous section)
    - Comprehensive benefits package (discussed in previous section)

- Creation of direct care worker ‘levels’
  - Habilitative services include three levels of DSPs above the base rate
    - Specific criteria to be developed by DDS; using National Alliance for Direct Support Professionals’ DSP Certification program as an example
      - Level 1 – 100 hours of training, commitment to code of ethics, demonstration of competency in four specified areas, at least one letter of support from a service recipient (or family member/ guardian)
      - Level 2 – Level 1 requirements plus another 100 hours of training and demonstration of competency in an additional four areas
      - Level 3 (Specialist) – Level 2 requirements plus 40 hours of specialized instruction and demonstration of competency in specialty area (inclusion, health support, employment, positive behavior support, aging)
  - Higher rates for the direct care worker levels would include additional funding for higher wages and the greater training requirements
    - Projected cost is not part of the estimated fiscal impact

### Crosswalk of Existing Service Codes to Proposed Services

Existing Service Code(s)	Proposed Service(s)
062 – Personal Assistance	Personal Assistance
093 – Parent Coordinated Personal Assistance	Parent Coordinated Personal Assistance
055 – Community Integration Training Program (service delivered 1:1 in the home/ community)	Independent Living
063 – Community Activities Support Services (service delivered 1:1 in the home/ community)	
520 – Independent Living Program	
645 – Mobility Training Services Agency	
635 – Independent Living Specialist	Independent Living Specialist
650 – Mobility Training Service Specialist	
894 – Supported Living Administration	Supported Living (for services in which a staff at any given time is ‘dedicated’ to a specific housing unit)
896 – Supported Living Services	

### Crosswalk of Existing Service Codes to Proposed Services

Existing Service Code(s)	Proposed Service(s)
073 – Parent Coordinator Supported Living	Parent Coordinator Supported Living
108 – Parenting Support Services	Parenting Support Services
025 – Tutor 680 – Tutor	Tutor Services
862 – In-Home Respite Services	<ul style="list-style-type: none"> <li>• Respite, Agency</li> <li>• Respite, Employer of Record</li> </ul>
420 – Voucher Respite 465 – Participant Directed Respite Services 864 – In-Home Respite Worker	Participant-Directed Respite
858 – Homemaker 860 – Homemaker Services	Housekeeping
111 – Supplemental Prog. Supp. – Other Svcs.	Supplemental Prog. Supp. – Other Svcs.

- Personal Assistance
  - Hourly billing unit
  - Rate variants
    - Geography-based adjustments
    - Non-English stipend
    - Group services (allowable ratios of 1:2 or 1:3)
    - Short- and long-term encounters (more or less than six hours)

- Parent Coordinated Personal Assistance
  - Hourly billing unit
  - Rate variants
    - Geography-based adjustments
    - Non-English stipend
    - Group services (allowable ratios of 1:2 or 1:3)

- Independent Living
  - Hourly billing unit
  - Rate variants
    - Geography-based adjustments
    - Non-English stipend
    - Group services (allowable ratios of 1:2 or 1:3)
    - Short- and long-term encounters (more or less than six hours)

- Independent Living Specialist
  - Hourly billing unit
  - Rate variants
    - Geography-based adjustments
    - Non-English stipend
    - Group services (allowable ratios of 1:2 or 1:3)
    - Short- and long-term encounters (more or less than six hours)



- Supported Living
  - Refers to supports in which a staff at any given time during their shift is dedicated to a specific housing unit (that is, they are only responsible for individuals behind a single ‘front door’ at any given time)
    - Services in which a staff supports multiple housing units (e.g., in an apartment complex in which staff ‘float’ between units) are discussed with residential services
  - Hourly billing unit
  - Rate variants
    - Geography-based adjustments
    - Non-English stipend
    - Group services (allowable ratios of 1:2 or 1:3)
    - Short- and long-term encounters (more or less than six hours)

- Parent Coordinated Supported Living
  - Hourly billing unit
  - Rate variants
    - Geography-based adjustments
    - Non-English stipend
    - Group services (allowable ratios of 1:2 or 1:3)

- Parenting Support Services
  - To be qualified to deliver the service, staff must have a bachelor's degree in a public health or education fields
    - Services delivered by staff who do not meet this qualification are most likely to transition to Independent Living or Supported Living
  - Hourly billing unit
  - Rate variants
    - Geography-based adjustments
    - Group services (allowable ratios of 1:2 or 1:3)

- Tutor Services
  - To be limited to adults receiving post-high school education, provided by staff with a bachelor's degree in a relevant field
    - Services delivered to children or by staff who do not meet this qualification are most likely to transition to Personal Assistance, Independent Living, or Supported Living
  - Hourly billing unit
  - Rate variants
    - Geography-based adjustments
    - Non-English stipend
    - Group services (allowable ratios of 1:2 or 1:3)

- In-Home Respite Services Agency
  - ‘Employer of Record’ services to be billed at the Participant-Directed Respite rate
    - Agencies providing EOR services will need to be vendored as a Financial Management Service provider and will bill at the FMS rates
  - Hourly billing unit
  - Rate variants
    - Geography-based adjustments
    - Non-English stipend
    - Group services (allowable ratios of 1:2 or 1:3)
    - Short- and long-term encounters (more or less than six hours)

- Participant-Directed Respite
  - Service must be provided through an FMS
  - Hourly billing unit
  - Rate variants
    - Geography-based adjustments
    - Non-English stipend
    - Group services (allowable ratios of 1:2 or 1:3)

- Housekeeping
  - ‘New’ service for housekeeping (cleaning and chore)
    - Services currently billed as Homemaker are most likely to transition to Personal Assistance, Independent Living, or Supported Living
  - Intend to establish a limit on amount of support (e.g., 3 hours per week)
  - Hourly billing unit
  - Rate variants
    - Geography-based adjustments
    - Group services (allowable ratios of 1:2 or 1:3)

- Supplemental Program Support – Other Services
  - Hourly billing unit
  - Rate variants
    - Geography-based adjustments
    - Non-English stipend



### Crosswalk of Existing Service Codes to Proposed Services

Existing Service Code(s)	Proposed Service(s)
905 – Community Care Fac./ Adult, Owner Op.	Community Care Fac./ Adult, Owner Op.
910 – Community Care Fac./ Child, Owner Op.	Community Care Fac./ Child, Owner Op.
915 – Community Care Fac./ Adult, Staff Op.	Community Care Fac./ Adult, Staff Op.
920 – Community Care Fac./ Child, Staff Op.	Community Care Fac./ Child, Staff Op.
113 – Adult Residential Facility/ Persons with Special Health Care Needs (ARFPSHN) (Specialized Residential Facilities to transition to 905 / 910 / 915 / 920)	Adult Residential Facility/ Persons with Special Health Care Needs (ARFPSHN)
894 – Supported Living Administration 896 – Supported Living Services	Supported Living, Community (for services in which a staff supports multiple housing units)
904 – Family Home Agency	Family Home Agency

### Crosswalk of Existing Service Codes to Proposed Services

Existing Service Code(s)	Proposed Service(s)
900 – Enhanced Behavioral Supports Home (Facility Component)	Enhanced Behavioral Supports Home (Facility Component)
901 – Enhanced Behavioral Supports Home (Service Component)	Enhanced Behavioral Supports Home (Service Component)
899 – Community Crisis Facility (Transition Component)	Community Crisis Facility (Transition Component)
902 – Community Crisis Facility (Facility Component)	Community Crisis Facility (Facility Component)
903 – Community Crisis Facility (Service Component)	Community Crisis Facility (Service Component)
109 – Supplemental Residential Prog. Supp.	Supplemental Residential Prog. Supp.

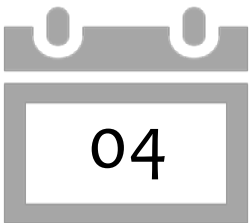
- Community Care Facilities, Staff Operated
  - Monthly billing unit
    - No changes to room and board (SSI/SSP) payment
  - Rate variants
    - Geography-based adjustments
    - Non-English stipend
      - Consumer for whom the non-English rate is billed must have access to an onsite staff that speaks their language
    - Home size
      - Homes with fewer than 5 consumers (models assume 4 consumers)
      - Homes with 5 or 6 consumers (models assume 5.5 consumers)
      - Rates for homes with 7 or more consumers will not change
  - Support/ staffing level (see next slide)

- Community Care Facilities, Staff Operated (cont.)
  - Reducing number of service levels and revising staffing requirements

Current Level(s)	New Level	Staff Hours – Homes w/ Fewer Than 4 Beds		Staff Hours – Homes w/ 5 or 6 Beds	
		Total	Net of Admin.	Total	Net of Admin.
2	2	168	128	168	128
3/ 4A/ 4B	3	180	140	220	180
4C/ 4D/ 4E	4	220	180	280	240
4F/ 4G/ 4H	5	260	240	340	320
4I	6	300	280	400	380

- Levels will continue to be assigned by home (rather than by resident)
  - For homes requiring more staffing than in Level 6, there is a ‘customizable’ model to plug in the number of approved hours

- Community Care Facilities, Staff Operated (cont.)
  - Staffing
    - First 168 staff hours in the table on the previous slide reflect coverage (i.e., vendor must have staff available, but staff do not need to be onsite if no consumers are present) so the rate models count home administrator hours to meet a portion of the requirement (i.e., they can provide on-call coverage)
    - Rate model also funds 8 hours per day at a higher ‘lead DSP’ wage
    - Overnight staff permitted to sleep in Level 2 and 3 homes only if *all* consumers’ IPPs state that they do not require awake staff
    - Rate models fund overnight hours in Level 2, 3, and 4 homes at minimum wage
    - 5 percent of work hours for line staff and lead staff are assumed to be paid at an overtime wage (time-and-a-half)



## RESIDENTIAL SERVICES (CONT.)

- Specialized Residential Facilities (billed under service code 113)
  - Homes will be transitioned to the Community Care Facility rates
    - For homes requiring more staffing than in Level 6, there is a ‘customizable’ model to record the number of hours approved by the Regional Center

- Adult Residential Facility for Persons with Special Health Care Needs (ARFPSHN)
  - Monthly billing unit
  - Due to the variability in staffing across homes, rates for each home will be set individually
    - The vendor/ Regional Center plugs in the number of consumers, staff hours, and consultant hours and the rate is calculated based on fixed values (e.g., the vendor/ Regional Center inputs the number of staff hours, but the cost per staff hour is standardized across all providers)
      - Costs will be calculated for the home and equally spread across consumers (i.e., all consumers in a given home will have the same rate)
      - Geography adjustments apply
      - DSPs are assumed to the certified nursing assistants
      - Rates may also be adjusted for non-English stipend

- Community Care Facilities, Owner Operated
  - Monthly billing unit
    - No changes to room and board (SSI/SSP) payment
  - Rate variants
    - Geography-based adjustments
    - Non-English stipend
      - Consumer for whom the non-English rate is billed must have access to an onsite staff that speaks their language
    - Home size
      - Homes with fewer than 5 consumers (models assume 4 consumers)
      - Homes with 5 or 6 consumers (models assume 5.5 consumers)
      - Rates for homes with 7 or more consumers will not change
  - Support/ staffing level (see next slide)



- Community Care Facilities, Owner Operated (cont.)
  - Reducing number of service levels and revising staffing requirements

Current Level(s)	New Level	Staff Hours – Homes w/ Fewer Than 4 Beds		Staff Hours – Homes w/ 5 or 6 Beds	
		Total	Net of Owner	Total	Net of Owner
2	2	168	0	168	0
3/ 4A/ 4B	3	180	12	220	52
4C/ 4D/ 4E	4	220	52	280	112
4F/ 4G/ 4H	5	260	92	340	172
4I	6	300	132	400	232

- Levels will continue to be assigned by home (rather than by resident)
  - For homes requiring more staffing than in Level 6, there is a ‘customizable’ model to record the number of hours approved by the Regional Center

- Community Care Facilities, Owner Operated (cont.)
  - Staffing
    - Rate models count 168 hours for the home owner against the staffing requirements
    - Rate model does not include a home administrator or lead staff, assuming the owner performs these roles
    - Overnight staff permitted to sleep in Level 2 and 3 homes only if *all* consumers' IPPs state that they do not require aware staff
    - Rate models fund overnight hours in Level 2, 3, and 4 homes at minimum wage

- Supported Living, Community
  - Refers to supports in which a staff supports multiple housing units (e.g., in an apartment complex in which staff ‘float’ between units)
    - Services in which a staff at any given time during their shift is dedicated to a specific housing unit (that is, they are only responsible for individuals behind a single ‘front door’ at any given time) are discussed above
  - Monthly billing unit
  - Due to the variability in staffing across locations, rates for each site will be set individually
    - The vendor/ Regional Center plugs in the number of consumers, staff hours, and consultant hours and the rate is calculated based on fixed values (e.g., the vendor/ Regional Center inputs the number of staff hours, but the cost per staff hour is standardized across all providers)
      - Costs will be calculated for the site and equally spread across consumers (i.e., all consumers in a given home will have the same rate)
      - Geography-based adjustment apply
      - Rates may also be adjusted for non-English stipend

- Family Home Agency
  - Monthly billing unit
    - Agencies must pay at least 45% of the total rate to the home provider
  - Rate variants
    - Geography-based adjustments
    - Non-English stipend
      - Applies to the home provider
    - Support level (six levels)

- Enhanced Behavioral Support Homes
  - and –
- Community Crisis Homes
  - Monthly billing unit
    - Continue to have separate rates for ‘Facility’ and ‘Service’ components
  - Due to the variability in staffing across homes, rates for each home will be set individually
    - The vendor/ Regional Center records the number of consumers, staff hours, and consultant hours and the rate is calculated based on fixed values (e.g., the vendor/ Regional Center inputs the number of staff hours, but the cost per staff hour is standardized across all providers)
      - Facility costs will be calculated for the home and equally spread across consumers (i.e., all consumers in a given home will have the same rate) while Service rates are separately calculated for each resident
      - Geography adjustments apply
      - Line staff are assumed to be registered behavior technicians
      - Rates may also be adjusted for non-English stipend

- Supplemental Residential Program Support
  - Hourly billing unit
  - Rate variants
    - Geography-based adjustments
    - Non-English stipend

### Crosswalk of Existing Service Codes to Proposed Services

Existing Service Code(s)	Proposed Service(s)
028 – Socialization Training Program 055 – Community Integration Training Prog. (service delivered as look-alike day program) 063 – Community Activities Support Services (service delivered as look-alike day program) 094 – Creative Arts Program 505 – Activity Center 510 – Adult Development Center 515 – Behavior Management Program 525 – Social Recreation Program	Community-Based Day Services Center-Based Day Services Community-Based Day Svcs., Behavioral Center-Based Day Services, Behavioral Community-Based Day Svcs., Medical Center-Based Day Services, Medical  *Socialization Training services will have separate code/ subcodes, but rates are the same
091 – In-Home/ Mobile Day Program	In-Home Day Program
475 – Participant-Directed Com. Based Train.	Participant-Directed Com. Based Training

### Crosswalk of Existing Service Codes to Proposed Services

Existing Service Code(s)	Proposed Service(s)
055 – Community Integration Training Prog. (service delivered as individual employment) 063 – Community Activities Support Services (service delivered as individual employment) 952 – Individual Supported Employment	Individ. Supp. Employ. – Job Development Individ. Supp. Employ. – Job Coach
055 – Community Integration Training Prog. (service delivered as group employment) 063 – Community Activities Support Services (service delivered as group employment) 950 – Group Supported Employment	Group Supported Employment
954 – Work Activity Program	Work Activity Program
110 – Supplemental Day Program Support	Supplemental Day Program Support



**Crosswalk of Existing Service Codes to Proposed Services**

Existing Service Code(s)	Proposed Service(s)
875 – Transportation Company 880 – Transportation-Additional Component	Transportation
882 – Transportation Assistant	Transportation Assistant
883 – Transportation Broker	Transportation Coordination

- Day Services
  - Hourly billing unit
  - Rate variants
    - Geography-based adjustments
    - Program focus (medical, behavioral, non-medical/ non-behavioral)
    - Service location (center/ facility and community)
    - Staffing ratios
    - Non-English stipend
      - Consumer for whom the non-English rate is billed must have access to an onsite staff that speaks their language

- Day Services (cont.)
  - Vendorization
    - Programs will be vendored as behavioral, medical, or neither
      - Medical programs staffed by certified nursing assistants
      - Behavioral programs staffed by registered behavior technicians
    - Programs that provide both center-based and community-based services will need vendorizations for both
      - Vendorization will include approved staffing ratio
        - Center-based services range from 1:2 to 1:10 (no more than 1:3 for medical or behavioral programs)
        - Community-based services range from 1:2 to 1:3 (only 1:2 for medical or behavioral programs)
      - Billing will reflect where services are delivered (i.e., if an individual receives both center- and community-based services in a day, the vendor will bill for the applicable number of hours of each)

- In-Home Day Program
  - Hourly billing unit
  - Rate variants
    - Geography-based adjustments
    - Staffing ratios (range from 1:1 to 1:3)
    - Non-English stipend

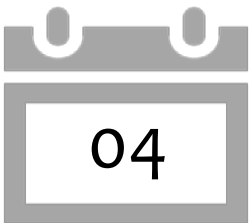
- Individual Supported Employment
  - Eliminate the requirement that providers must be nonprofits
  - Hourly billing unit
    - Travel time will no longer be billable (incorporated in the rate as a productivity adjustment)
  - Rate variants
    - Geography-based adjustments
    - Service type (job development and job coaching)
      - Job development limited to 40 hours per year
    - Non-English stipend

- Group Supported Employment
  - Eliminate the requirement that providers must be nonprofits
  - Hourly billing unit
    - Travel time will no longer be billable (incorporated in the rate as a productivity adjustment)
  - Rate variants
    - Geography-based adjustments
    - Group sizes ranges from 1:2 to 1:8
      - Programs will be vendored for a specific ratio
    - Non-English stipend

- Work Activity Program
  - Hourly billing unit
  - Rate variants
    - Geography-based adjustments
    - Group sizes ranges from 1:4 to 1:35
      - Programs will be vendored for a specific ratio/ range
    - Non-English stipend

- Transportation
  - One-way trip billing unit
    - Rate does not include overhead expenses
      - Part of the Transportation Coordination rate, which is to be billed in concert with every trip
  - Rate variants
    - Geography-based adjustments
    - Ambulation (enhanced rate for individuals with wheelchairs)





## DAY, EMPLOYMENT, & TRANSPORTATION (CONT.)

- Transportation Coordination
  - One-way trip billing unit
    - Administrative component of trips
      - To be billed in concert with every trip, either by the transportation provider (if they handle the coordination function) or by a separate broker)
  - No rate variants



## DAY, EMPLOYMENT, & TRANSPORTATION (CONT.)

- Transportation Assistant
  - Hourly billing unit
  - Rate variants
    - Geography-based adjustments
    - Non-English stipend

- Supplemental Day Program Support
  - Hourly billing unit
  - Rate variants
    - Geography-based adjustments
    - Non-English stipend

### Crosswalk of Existing Service Codes to Proposed Services

Existing Service Code(s)	Proposed Service(s)
612 – Behavior Analyst	Behavior Analyst
613 – Associate Behavior Analyst	Associate Behavior Analyst
615 – Behavior Management Assistant	Behavior Management Assistant
616 – Behavior Technician – Paraprofessional	Behavior Technician – Paraprofessional
620 – Behavior Management Consultant	Behavior Management Consultant
048 – Client/ Parent Support Behavior Intervention Training	* Code to be eliminated and staff to bill under the service code corresponding to their qualification
605 – Adaptive Skills Trainer	* Code to be eliminated and staff to bill under the service code corresponding to their qualification
805 – Infant Development Program	Infant Development Program

### Crosswalk of Existing Service Codes to Proposed Services

Existing Service Code(s)	Proposed Service(s)
017 – Crisis Eval. and Behavior Intervention	Crisis Eval. and Behavior Intervention
103 – Special. Health, Treatment & Training	* Code to be eliminated and staff to bill under the service code corresponding to their qualification
106 – Specialized Recreational Therapy	To be billed on usual and customary rates
115 – Specialized Therapeutic Svcs. (3-20 yrs.)	* Codes to be eliminated and therapist/ staff to bill under the service code corresponding to their qualification
116 – Specialized Therapeutic Svcs. (under 3)	
117 – Specialized Therapeutic Svcs. (21+)	

- Clinical staff
  - Services to be billed only under the service code and rate that corresponds to the rendering provider's qualification
    - For example, physical therapists to bill under service code 772
    - For instances when a rate greater than the standard Medi-Cal rate is necessary, Regional Centers may authorize a 39.7% payment augmentation
      - This is the same premium available to California Children's Services clients

- Behavioral Services (Behavior Analyst, Behavior Management Consultant, Associate Behavior Analyst, Behavior Management Assistant, Behavior Technician/ Paraprofessional)
  - Hourly billing unit
  - Rate variants
    - Geography-based adjustments
    - Group services (allowable ratios of 1:2 or 1:3)
    - Non-English stipend
      - Applies to tech./ paraprofessional only

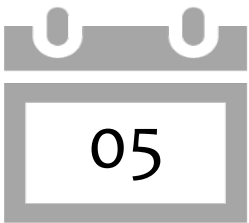
- Infant Development Program
  - Service code to be limited to ‘special instruction’ (that is, early childhood teachers/ specialists)
    - Other services to be billed under the service code and rate that corresponds to the rendering provider’s qualification (with the augmented rate when approved)
  - Hourly billing unit
  - Rate variants
    - Geography-based adjustments
    - Staff qualification (licensed professional, specialist, paraprofessional)
    - Setting (center- or community-based)
    - Group services (allowable ratios of 1:1 to 1:3)



- Crisis Evaluation and Behavior Intervention (Mobile Crisis)
  - Hourly billing unit
  - Rate variants
    - Geography-based adjustments
    - Staff qualification (licensed professional, specialist, paraprofessional)

## PUBLIC COMMENTS

- Rate study materials are available online at <http://www.burnshealthpolicy.com/DDSVendorRates/> (DDS website will include a link to this site)
  - Draft rate models including appendices that detail assumptions related to direct care staff wages, benefits, and productivity
  - A report explaining the approach to establishing regional center cost variations
  - Provider survey materials, including the survey forms and instructions, and the analysis of submitted surveys
  - Individual and family survey materials, including the survey form and a presentation of findings
  - A recorded webinar that walks through this presentation (available the week of March 4)



## PUBLIC COMMENTS

- B&A is seeking public comments on the draft rate models
  - Interested parties should share comments with their representative on the Rates Workgroup (e.g., their provider association, if applicable, or their Regional Center Vendor Advisory Committee)
  - Comments from Rates Workgroup members will be accepted in writing at [DDSVendorRates@burnshealthpolicy.com](mailto:DDSVendorRates@burnshealthpolicy.com) until March 22, 2019
    - Rates Workgroup members are expected to aggregate any comments they receive and submit a consolidated response
    - Commenters should be specific and may provide supporting documentation

## CONTACT INFORMATION

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