

Maine Department of Health and Human Services

**Overview of Proposed Rate Models
for Home Health Services
(Section 40 of MaineCare)**

May 11, 2017

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Introduction

- Purpose of presentation is to outline proposed rates for Section 40 Home Health services
 - These are *proposed* rates, not final decisions

- DHHS will continue to engage with providers and other stakeholders as decisions are made
 - Interested parties are being invited to offer comments on these proposals

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Background

- Resolve 2016, Chapter 83 required that DHHS contract with a third party to study payment rates for services delivered through Section 40
- Burns & Associates, Inc. contracted to assist with the development of rate models

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Process

- Review service definitions and requirements
- Collect data from providers and other sources
 - Survey on costs and service design sent to every provider
 - 6 providers of 23 that billed for Section 40 services participated, accounting for 88 percent of total Section 40 expenditures
 - Research on cost drivers such as Bureau of Labor Statistics wage and benefits data
- Develop detailed rate models and supporting documentation outlining assumptions

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Process (cont.)

- Provide opportunity for public comment (see Next Steps)
- Revise rates as appropriate and finalize
- Promulgate revisions to MaineCare benefit manual
- Implementation

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Assumptions – Direct Care Worker Wages

- Wage assumptions are tied to Bureau of Labor Statistics (BLS) data for the applicable job classifications
 - Rate models keyed to the median wage in the State of Maine, which reflects the cross-industry market wage
 - In general, wage assumptions are somewhat less than the wages reported by providers participating in the provider survey
- Detailed in Appendix A of Proposed Rate Models packet

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Assumptions – Direct Care Worker Benefits

- Used benefit packages built into rate models for other rate studies
- Greater benefits package established for positions typically requiring a four-year college degree
 - College degree staff – therapists, social workers, registered nurses
 - Other staff – therapy assistants, home health aide, licensed practical nurses

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Assumptions – Direct Care Worker Benefits (cont.)

- Assumed benefits packages include:
 - 25 paid days off (holiday, sick, and vacation leave) per year (30 days for staff typically requiring a college degree)
 - \$425 per month for health insurance for each worker, which is intended to cover the cost of employee-only health insurance
 - \$25 per month for other benefits for each worker (\$75 for services typically requiring a college degree)
 - Non-discretionary benefits (FICA, unemployment insurance, workers' compensation)
- Assumptions are translated to benefit rates by wage level
 - Benefit rates are significantly less than reported in provider survey, but numbers are skewed by one provider (for example, reported an average health insurance cost of \$4,500 per month per employee)
- Detailed in Appendix B of Proposed Rate Models packet

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Assumptions – Direct Care Worker Productivity

- Productivity adjustments intended to account for non-billable responsibilities (e.g., travel, training, recordkeeping, etc.)
 - Cost associated with non-billable time are spread over billable hours
- Rate models generally assume that staff provide four-to-five hours of billable service per day, before accounting for annual training and paid time off
 - Assumptions are in-line with totals reported by providers participating in the provider survey

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Assumptions – Operating and Overhead Costs

- Operating costs
 - All rate models include 250 miles per week for travel
 - LPN, home health aide, and therapy assistant rate models include one hour of supervision per week
 - Rate models (other than social work) include \$2,000 per worker per year for medical and therapy supplies and equipment
- Overhead costs
 - Rate models include 28 percent overhead rate for administration and program support costs in addition to those noted above
 - Providers completing provider survey reported median overhead rate of 20 percent/ weighted average rate of 32 percent

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Results

- Rates for most services would be reduced

Service Code and Title	Unit	Current	Proposed	Change
G0299 Nursing, RN	15 min.	\$28.32	\$27.33	-3.5%
G0300 Nursing, LPN/LVN	15 min.	\$19.82	\$19.72	-0.5%
G0155 Social Worker	15 min.	\$28.32	\$24.05	-15.1%
G0156 Home Health Aide	15 min.	\$13.28	\$13.47	1.4%
T1502 Medication Administration (RN)	Visit	\$84.95	\$71.19	-16.2%
T1502 Medication Administration (LPN)	Visit		\$55.66	-34.5%
G0152 Occupational Therapy	15 min.	\$33.25	\$26.98	-18.9%
G0152-TF Occupational Therapy Assistant	15 min.	\$23.28	\$20.49	-12.0%
G0151 Physical Therapy	15 min.	\$31.29	\$30.46	-2.7%
G0151-TF Physical Therapy Assistant	15 min.	\$21.91	\$21.54	-1.7%
G0153 Speech/Language Therapy	15 min.	\$32.78	\$26.50	-19.2%
G0153-TF Speech/Language Therapy Assistant	15 min.	\$22.95	\$19.51	-15.0%

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Next Steps – Public Comment Period

- Proposed rates and supporting documentation are being distributed to providers and other stakeholders
- Written comments will be accepted at Section40@burnshealthpolicy.com until June 16
- Comments will be considered and the proposed rate models will be revised as appropriate

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