



# CIS Rate Review 2024

# Agenda

Welcome & Introductions

Overview of Rate Review Process

Rate Review Outcomes

Next Steps



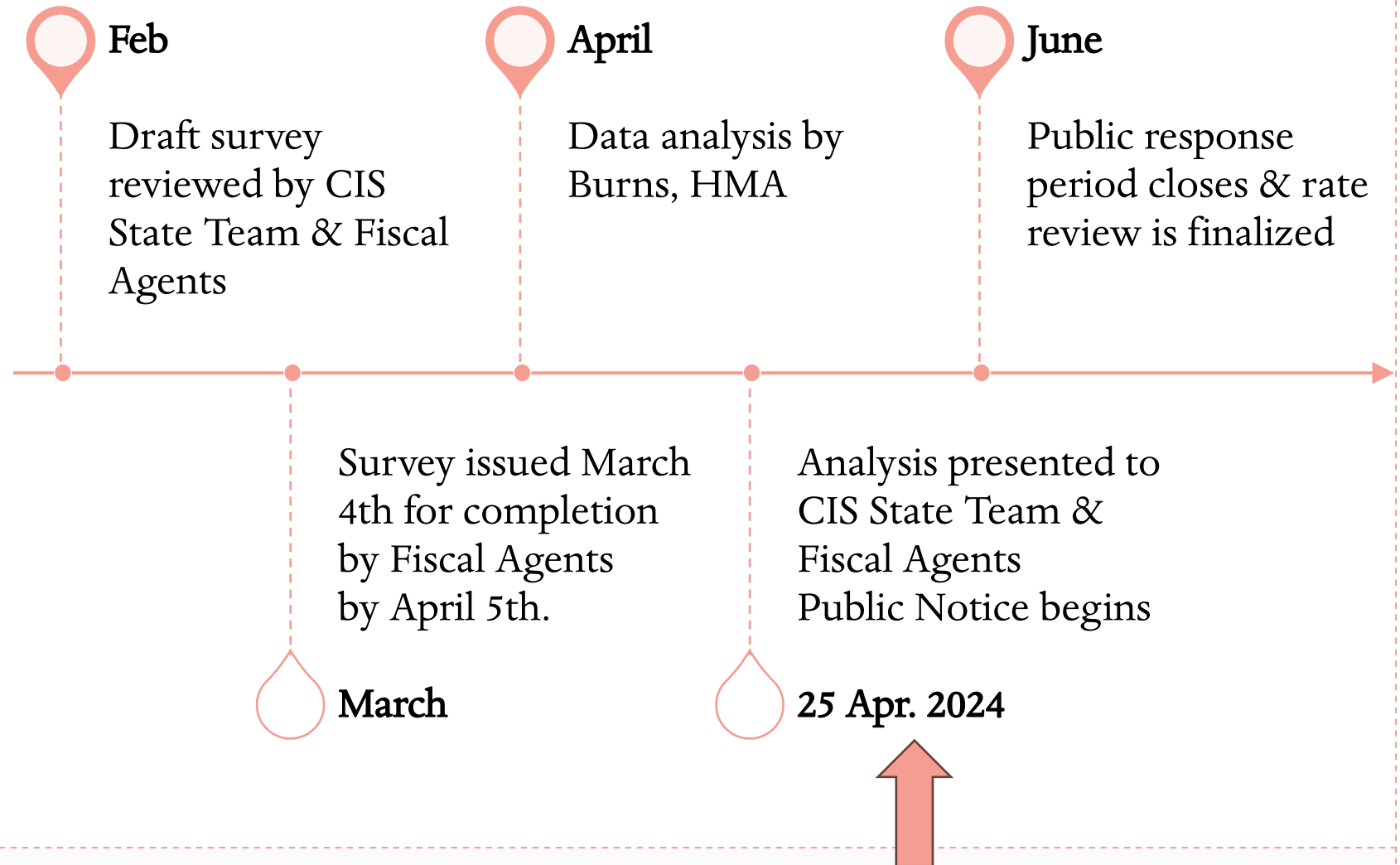
# The Rate Review Process



# Data Inputs

- Review current state and/or national data
- Gather current CIS data on costs, caseloads, provider FTEs, service levels (based on claims data), etc. from fiscal agent survey (March 2024)
- Analyze updated data associated with the established case rate

# Timeline





# Burns HMA To Present Rate Review Analysis

Question and Answer period  
will follow this presentation

# Rate Study Process

- + Designed to review key cost drivers from the 2019 rate model
- + Proposed rate model is based on multiple sources:
  - + Limited-scope provider survey
  - + Provider feedback received through the provider survey and other communications
  - + Current state and national benchmark data
  - + Analysis of state fiscal year 2023 encounters data

# Provider Survey

- + Results inform, but do not dictate, rate model assumptions
- + Design and administration
  - + Focused on key cost drivers based on 2019 rate model (e.g., direct care staffing levels, wages, and service specific details)
  - + Presented draft instrument to Fiscal Agents for feedback prior to distributing
- + Technical assistance
  - + Written instructions
  - + Recorded webinar to walk through the survey
  - + Dedicated contact for questions



# Provider Survey (cont.)

## + Analysis

- + Received surveys from all Fiscal Agents and 22 out of 26 subcontractors
- + Performed desk reviews of submitted surveys and followed-up as needed
- + Performed statistical analyses

## + Key findings

- + Reported average wage levels are less than assumed in the proposed rate model
- + Average mileage levels are generally less than assumed in the proposed rate model
- + Staffing levels are similar to what was assumed in the 2019 rate model, while some revisions were needed in the current rate model

# Updated Data Sources

- + Vermont-specific wage data from most recent Bureau of Labor Statistics (BLS) occupational wage estimates (May 2023 data set published in April 2024)
- + Vermont-specific health insurance data from BLS and the U.S. Department of Health and Human Services' Medical Expenditure Panel Survey (MEPS)
- + Internal Revenue Service standard mileage rate for 2024
- + Workers' compensation rates published by the Vermont Department of Financial Regulation via the National Council on Compensation Insurance
- + Current state unemployment insurance rates
- + Analysis of fiscal year 2023 CIS encounters data to study average and median monthly census details

# Wage Assumptions

- + Appendix A of the rate model packet
- + BLS wage values are inflated from May 2023 to July 2025
  - + Inflation based on Vermont's 10-year compound annual growth rate in net earnings in the most recent publication by the Bureau of Economic Analysis
  - + Results in a total inflation factor of 8.19 percent
- + Crosswalk of BLS occupational classifications to CIS positions generally remains the same as in the 2019 rate model
  - + The occupational classification for Specialized Child Care is revised to BLS occupational code 21-1099 (Community and Social Service Specialists)

# Wage Assumptions

- + Wages levels exceed wages reported through the provider survey
  - + Some providers reported pay raises after the June 30, 2023 reporting period typically ranging from 3 to 5 percent, some as high as 12 to 15 percent

Service	Provider Survey	Proposed Rate Models	\$ Diff.	% Diff.
Early Intervention	\$20.94	\$31.05	\$10.11	48.3%
Early Childhood and Family Mental Health	\$25.39	\$36.47	\$11.08	43.6%
Specialized Child Care	\$22.74	\$25.08	\$2.34	10.3%
SFVT: Resp./Sus. Home Visiting - Nurse	\$38.44	\$42.59	\$4.15	10.8%
SFVT: Resp./Sus. Home Visiting – Bachelor’s	\$24.74	\$31.05	\$6.31	25.5%
SFVT: Resp./Sus. Home Visiting – Master’s		\$34.98	\$10.24	41.4%

# Payroll Tax and Fringe Benefit Assumptions

- + Payroll taxes
  - + Social Security and Medicare combined rate of 7.65 percent of wages
  - + Federal Unemployment Insurance 0.60 percent on first \$7,000 in wages
  - + State Unemployment Insurance 1.00 percent on first \$14,300 in wages
  - + Workers' compensation rate 3.01 percent of wages

# Payroll Tax and Fringe Benefit Assumptions

- + Health insurance based on Vermont specific data from U.S. DHHS' Medical Expenditure Panel Survey by plan type (employee only, employee plus-one, and family)
  - + Assumes overall participation rate of 65.4 percent
  - + Resulting employer-paid health insurance premium is \$575.40 per employee per month (which includes non-participating employees)
- + Other benefit contribution is \$200 per month

# Staffing Level Assumptions

- + The rate model funds the number of practitioners needed based on the entire CIS-bundled service caseload
  - + Staffing level assumptions in the rate model are not the same as individual caseloads reported in the provider survey
  - + Not every child will receive every service in the rate model, but part of the cost of each practitioner is paid for through the monthly case rate
  - + For example, the rate model does not assume that one nurse home visitor provides support to 200 children; instead it assumes that an agency needs one nurse home visitor for every 200 CIS cases (because most children do not use this service)

# Population Caseload Assumptions

- + Revised population estimates are based on a comparison of calculated FTE from the provider survey in comparison to the Statewide monthly CIS-bundled caseload in State fiscal year 2023

Service	2019 Rate Model	Proposed Rate Model
Early Intervention	30	30
Early Childhood and Family Mental Health	85	125
Specialized Child Care	125	150
SFVT: Responsive/Sustained Home Visiting - Nurse	250	200
SFVT: Responsive/Sustained Home Visiting – Bachelor’s	200	200
SFVT: Responsive/Sustained Home Visiting – Master’s	200	200



# Program Support and Administration

- + Program support and administration rates unchanged at 22 percent and 16 percent, respectively, of the total rate
  - + Since other costs are increasing, the rate models include a greater amount of funding for program support and administration

	2019 Rate Model	Proposed Rate Model
Program Support Rate	22%	22%
Program Support Amount per Month	\$139.46	\$162.33
Administration Rate	16%	16%
Administration Amount per Month	\$101.42	\$118.06

# Proposed Rate

- + Based on the assumptions and sources discussed, the proposed rate is \$103.97 above the 2019 CIS bundled-payment rate

2019 Rate Model	Proposed Rate Model	\$ Change	% Change
\$633.90	\$737.87	\$103.97	16.4%

# Public Comments

- + Draft proposed rate model and provider survey analysis posted online at <https://www.burnshealthpolicy.com/cisratestudy/>
  - + Accepting written comments through **May 24<sup>th</sup>, 2024**
- + All comments will be reviewed and summarized
- + Revisions to rate model based on public comments as warranted
- + Written comments should be submitted to [dbarber@healthmanagement.com](mailto:dbarber@healthmanagement.com)