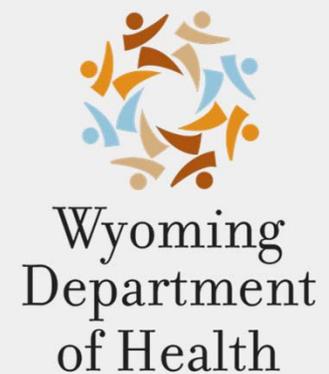


# HCBS Rate Development and Building Data-Driven Stakeholder Consensus: The Wyoming Experience

*2018 NASUAD National HCBS Conference*

Presented by:

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# Objectives

**1.**

Describe how to use a robust stakeholder engagement strategy to effectively support the HCBS rate rebasing process

**2.**

Provide examples of how to address the challenges of building and maintaining provider capacity in a rural / frontier state during HCBS rate development

# Agenda

- Project goals and approach
- Using data to support State and provider objectives in rural settings
- Providers' perspective on historic and current funding, rate study process and related decisions

# Project Goals and Approach



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Wyoming  
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# Wyoming Rate Setting Regulations



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W.S.42-4-120(g)(ii) – “The department shall establish by rule and regulation a cost based reimbursement system to pay providers of services and supplies under home and community based waiver programs for persons with developmental disabilities or acquired brain injury. The payment system shall establish a new base period to be used in calculating reimbursement rates to providers for fiscal year 2012 and at least once every four (4) years thereafter but not more than once in any two (2) year period.”

# History of HCBS Rates

*(services related to DD and ABI)*



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- Last rate rebasing implemented in 2010
- Subsequent rate decreases and increases over time, for example:
  - 3.3 percent rate increase in State Fiscal Year (SFY) 17
  - 4.2 percent rate increase in SFY 18
  - 2016 rate rebasing analysis rejected by Legislature

# Priorities for 2018 Rate Rebasing

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## Rate Study Goals

Communication  
and  
Transparency



Simplified  
Provider Cost  
Survey



Higher Provider  
Participation  
Rate



Report on Costs  
of HCBS Services



## Objective of Rate Model

Recognize  
reasonable  
and  
necessary  
costs of  
providers

Standardize  
rates

Reflect  
participant  
needs

Increase  
transparency  
and facilitate  
regular  
updates

Provide  
fiscal  
stability for  
providers  
and the state

# Project Approach: Communication and Transparency

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## Rate Rebasing Provider Team

- Develop recommendations for Steering Committee
- Provide subject matter expertise and provide comments on rate development and cost and wage survey data collection

## Rate Rebasing Steering Committee

- Review Provider Team's recommendations
- Vote on key decisions
- Each member has one vote

## Wyoming State Legislature

- Ultimate decision makers of provider funding

← Navigant Technical Expertise →

# Steering Committee Composition



## Steering Committee

- Two Legislators
- One Guardian
- One Provider
- One Provider Association
- Four Senior State Staff



## Provider Team

Large Providers

Small Providers

Case Managers

# Challenges of Timeline

- Project completion date moved from 3/31/19 to 1/31/18 to allow for consideration of the report's findings to the State Legislature's January/February 2018 session
- Sacrifices had to be made:
  - Shortened timeline for providers to complete the survey
  - Fewer in-person training opportunities for the survey
  - Modified survey approach for smaller providers
  - Results were not available in time to be included in Governor's budget request in November 2017

# Condensed Timeline

## June – August 2017

- Identified Provider Team and Steering Committee members and held kick-off meetings
- Developed and reviewed survey materials and approach
- Began development of rate assumptions

## October – November 2017

- Continued development of rate assumptions
- Identified preliminary rates

## September – October 2017

- Conducted provider survey, including delivering on-site and WebEx trainings and providing technical support
- Continued development of rate assumptions

## December 2017 – January 2018

- Finalized rate assumptions
- Finalized payment rates and budget impact
- Presented budget request to Legislative Committee (WDH)

**Provider Team and Steering Committee discussion  
and decisions regarding rate assumptions**

# Using Data to Support State and Provider Objectives in Rural Settings



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Director  
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# Wyoming Waiver Provider Landscape



- In State Fiscal Year 2017, Wyoming had approximately 600 waiver service providers supporting individuals with developmental disabilities
- While a small number of large providers represent the majority of waiver service payments, smaller providers play an important role in filling potential geographic or service provision gaps

<b>Provider Group</b>	<b>Number of Providers</b>	<b>Unique Recipients Served by Group</b>	<b>Total Medicaid Payments</b>
Large Providers – Over \$1 million in revenues	22	1,512	\$60,043,672
Providers under \$1 million in revenues	489	1,478	\$32,173,075
Case Management Agencies	88	2,420	\$7,510,506
<b>Total</b>	<b>599</b>	<b>5,410</b>	<b>\$99,727,253</b>

# Rate Build Up Approach Used



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## Direct Care Cost

### Professional Delivering Service

- Wages
  - Benefits
  - Productivity (non-billable time necessary for service delivery)
  - Training and PTO (“FTE Factor”)
- Adjusted by the average number of clients receiving services from one staff person (“staffing ratios”)*

### Supervisor Cost

- Wages
  - Benefits
  - Productivity
  - Training and PTO
- Adjusted for the supervisory span of control*

## Non-Direct Care Cost

### Admin Cost

Ratio of administration expenses to program employee salaries, wages and benefits

### Program Support Cost

Ratio of program support expenses to program employee salaries, wages and benefits

# Datasources Used

## Provider Survey Data

- Provider cost experience
- Wage levels by staff type
- Health insurance cost and take-up



## Claims Data

- Payments and utilization by provider
- Budget impact



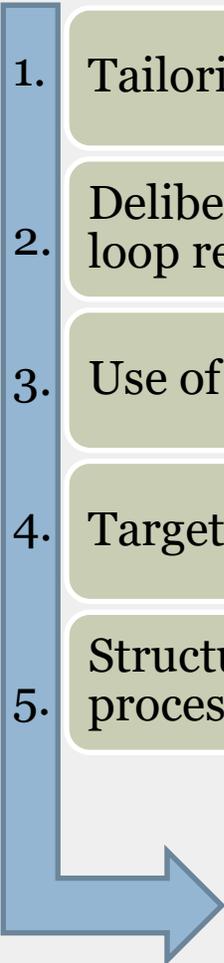
## BLS and Other Sources

- Bureau of Labor Statistics (BLS) – wages and benefit costs
- Medical Expenditure Panel Survey (MEPS) data – health insurance and other benefits
- Wages from state providers



# Key Strategies for Success

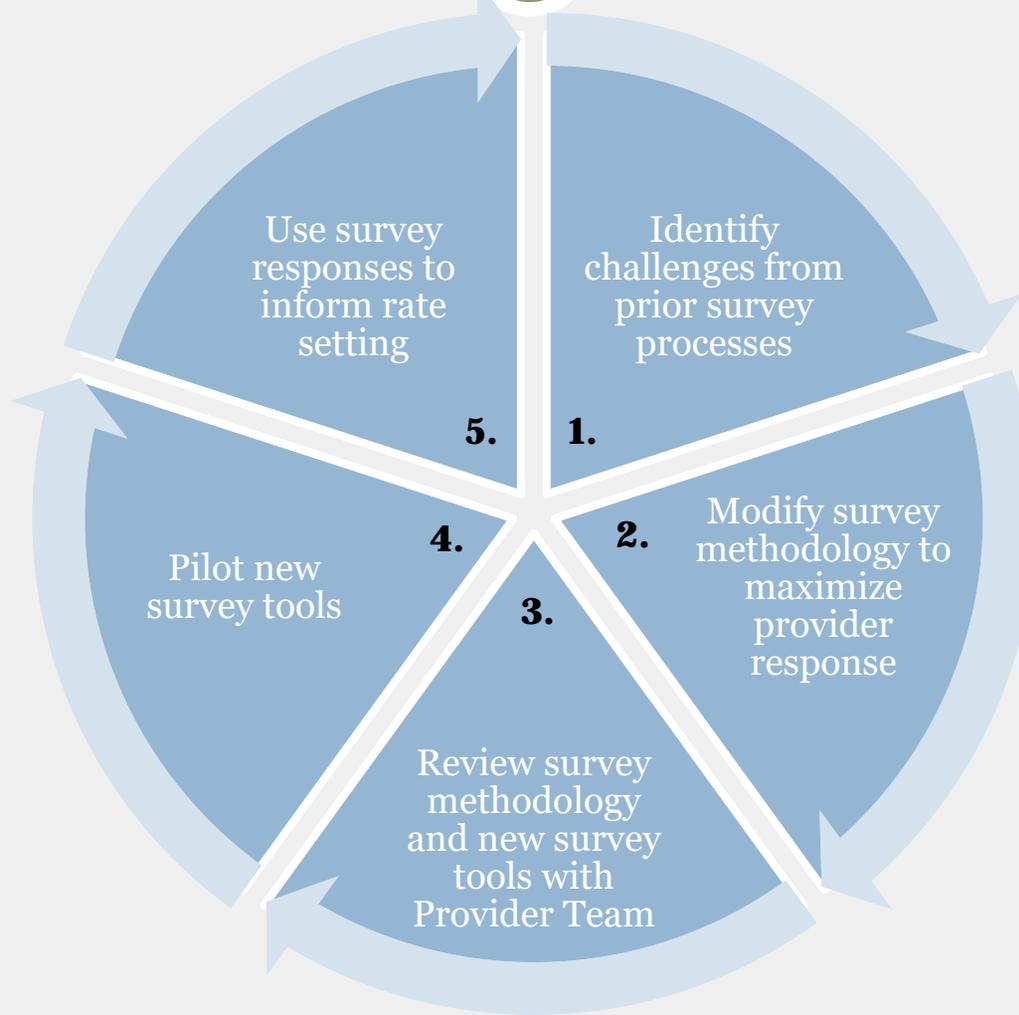
1. Tailoring of survey tools to maximize provider response
2. Deliberate pacing of rate component decisions to allow for an effective feedback loop regarding key issues
3. Use of transparent and easily digestible summaries of data analyses
4. Targeted use of discussion groups to inform rate assumption decisions
5. Structuring Steering Committee meetings to allow for buy-in throughout the process (“no surprises”)



**These strategies allowed for the nuanced discussions and analyses necessary to build a common understanding of the issues involved in key rate components.**

# Collecting Data from Wyoming Providers

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# Tailoring of Survey Tools

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## Original Survey Tools

- Detailed cost and wage surveys for all providers
- Use of a tailored cost and wage survey for Case Management Agencies
- Survey response was low, in part due to difficulties small providers experienced in completing the survey

## New Survey Tools

- Streamlined cost and wage survey for providers with expenditures over \$1 million
- Wage-only surveys for small providers
- Inclusion of special worksheet to better understand provider offer of health insurance coverage and employee take-up

## Improved Survey Response

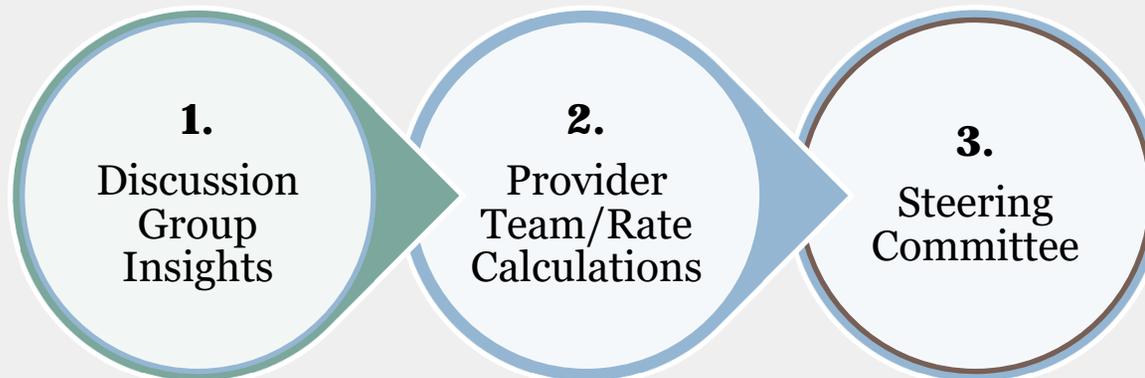
- Surveys received from providers represented:
- Over 56 percent of total waiver payments
  - Over 42 percent of all waiver recipients

# Use of Targeted Discussion Groups

- Allows for in-depth discussion and feedback on issues related to a specific provider group or service
- Number and focus of discussion groups can be tailored to a state's unique rate issues
- Can be held in-person or via conference call/WebEx

# Example - Wyoming Case Manager Discussion Group

- 1-time meeting for case management agencies
- Participants could attend via WebEx or in-person to allow for maximum participation
- Topics reviewed included:
  - Case management transportation issues for rural areas
  - Non-billable time needed to deliver service
  - Supervisor span of control



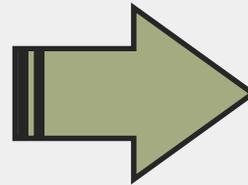
# Deliberate Pacing of Rate Component Decisions + Easily Digestible Analyses

## Examples of Rate Component issues and Related Analyses

### Rate Component Issue

**A.**  
Identification of non-billable time and supervisor span of control by service

**B.**  
Identification of health insurance assumptions for purposes of calculating the benefit factor



### Analysis to Support Decisions

**A.**  
Summaries of non-billable time assumptions from prior analyses; interactive spreadsheet

**B.**  
Comparison of health insurance premiums statewide and those reported by wavier providers

# Deliberate Pacing of Rate Component Decisions + Easily Digestible Analyses

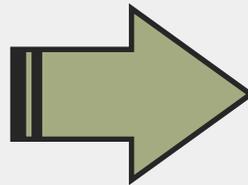
## Examples of Rate Component issues and Related Analyses

### Needed Assumptions

**C.**  
Base wage determination

**D.**  
Administrative factor

**E.**  
Program support factor



### Analysis to Support Decisions

**C.**  
Comparison by service of BLS wages, provider survey wages, and wages from state institutions

**D.**  
Breakdown of administrative cost factor; comparison to other states

**E.**  
Breakdown of program support factor; comparison to other states

# Rural / Frontier Area Considerations

- Collaborative provider engagement process supports recognition of the limited number of provider options in some areas
- Limited labor pool for direct care employees drives base wage discussion, resulting in careful consideration of the use of BLS versus provider survey data
- Consideration of additional non-billable time related to transportation / non-loaded miles

# Providers' Perspective on Historic and Current Funding and Decisions



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## Some History...

- In 2008 the Wyoming legislature passed W.S.42-4-120(g)(ii)
- Since that time there have been four re-basing projects:

**2008**

Initial (2008) \$8 million was added to balance the waivers

**2012**

2012 rebasing completed with Governor recommending 1.5 percent increase to rates but not approved

**2016**

2016 rebasing not accepted by the LHSS committee

**2018**

Fully funded rebased rates

# What made this process different?

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A commitment and action by the Wyoming Executive Branch to assure that the process was transparent and collaborative.

- The selection of two groups (Provider Team and Steering Committee) to help determine the process and to develop a recommendation for possible legislative action.
- A commitment from members of both groups to attend meetings and to participate in the discussion with the state soliciting input on rate calculations.
- A commitment and action from all involved parties including legislators and providers and the state to have a valid and reliable end product that was reflective of provider costs - not necessarily a number that the State could “afford”.

# What made this process different?

26

A commitment and action by the Wyoming Executive Branch to assure that the process was transparent and collaborative.

- A clearly identified focus for each group that identified the tasks, expectations, and timelines to fully understand the methodology for the rate buildup supported by informed decision making.
- Leadership from the Developmental Disabilities section that encouraged dialogue that resulted in consensus and a consistent message.
- Encouragement and assistance from WCSP members to support smaller providers to complete the cost survey.
- An expressed agreement to openly discuss the issues...but to support decisions once they were made.

# Provider Team and Steering Committee Member Perspective

This was a good process, meeting multiple areas of focus including:



Transparency



Simplified Surveys



Higher Provider  
Participation Rate



A Valid and  
Reliable Final  
Report

# Legislative action and outcome

- The final cost study report was presented to the Joint Appropriations Committee at the end of January showing an additional \$23 million needed over two years to fully fund new rates.
- The JAC brought an amendment to the budget bill of a \$2 million increase per year.
- Through the hard work of providers and families we were able to get sponsorship on the floors of both chambers to fully fund the results of the cost study.
  - Overwhelming legislative support!
  - Budget amendment passed House of Representatives 43-17 and the Senate 30-0!
  - The appropriation was left intact in the conference committee.

# Added benefits



## Added Benefits of Rate Study Process

In addition to the significant appropriation that resulted from this process, healthy relationships based on trust and respect were developed that will serve the system well in to the future...

Because of the transparency of the process people were able to see a different perspective than their own.

Provider association resources can be focused on key service delivery initiatives versus on-going annual lobbying for additional funding.

# Recap of the keys to this successful outcome

A rate model that reflects the costs of providing HCBS services in Wyoming



Transparency



Stakeholder input and participation throughout the process



Leadership from Legislators and the Developmental Disabilities Section



A consistent message

# Discussion and Questions

## Contacts

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