

# **Virginia Brain Injury Services Department of Medical Assistance Services (DMAS)**

## **Rates and Finance Workgroup**

Meeting #2: Service & Direct Care Cost Discussion

April 12, 2023

# Agenda

- Welcome
- Service Eligibility & Definition Overview
- Reimbursement Units
- Direct Care Compensation Methodology
- Geographic Rate Adjustment
- Provider Fringe Benefits Discussion
- Appendix

# **Service Eligibility & Definition Overview**

# Summary of Program Design Workgroup Feedback

The table below includes the updated service eligibility criteria based on feedback from the Program Design Workgroup.

Service	Targeted Case Management	Home and Community Based Services	Neurobehavioral Unit
<b>Legal authority</b>	State Plan	1915(c) Waiver	State Plan
<b>Eligibility Criteria</b>			
<b>VA Medicaid beneficiary</b>	Yes	Yes	Yes
<b>Age</b>	18 or older	18 or older	22 years of age or older
<b>Diagnosis</b>	Traumatic brain injury	Brain injury or neurocognitive disorder	Brain injury or neurocognitive disorder
<b>Acuity</b>	Severe	Level of care consistent with CMS's requirements	Level of care consistent with CMS's requirements
<b>Functional need</b>	Ongoing assistance to access necessary services	Moderate to severe functional deficits	Intensive program needed because clinically unmanageable in community due to neurological sequelae
<b>Other</b>	Receiving no other state-funded case management	Any form of brain injury	Reasonable expectation of measurable improvement

# Proposed Waiver Services Overview

- **Day and Employment Support Options**
  - Club House – Work Ordered Day Club House
  - Employment Specialist Services – Supported employment
- **Rehabilitation, Counseling, and Training Support Options**
  - Cognitive Rehabilitation
  - Consultation Services
  - Family Counseling And Training Services
- **Residential Support Options**
  - Transitional Living Program
  - Home Support Services
  - Supported Living
- **Community Support Options**
  - In-home Support Services
  - Respite Care
  - Non-Medical Transportation: Employment and Community Transportation
  - Personal Assistance Service
  - Assistive Technology/Environmental Modifications/Electronic Home-based Supports

# Day and Employment Support Options

## Club House

- Evidence-based practices focusing on individual needs to help them develop adaptive skills specific to work and social environments
  - Engages individuals and staff to run the Clubhouse in order to build work and interpersonal skills
  - Individuals are not paid or artificially rewarded for their work
  - Allows individuals to gain experience in administration, research, training, and other work areas
  - Goal is to assist and support individuals in securing and sustaining future paid employment

## Employment Specialist Services – Supported employment

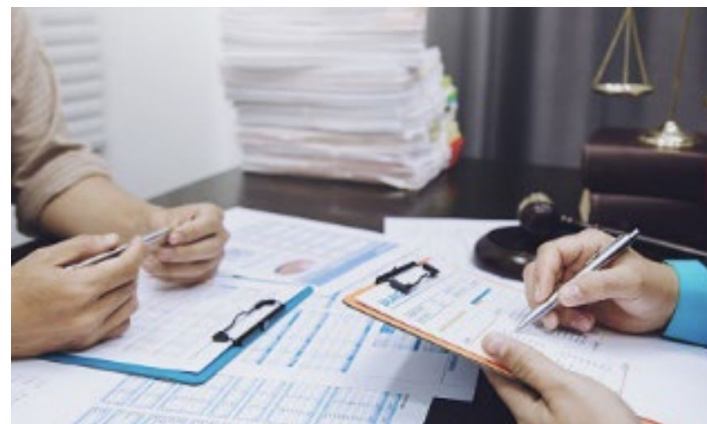
- Assist individuals in obtaining and maintaining employment
  - Includes career-planning services to identify appropriate employment opportunities
  - Provides necessary interventions at the workplace and workplace transitioning
  - Services provided by accredited individuals and agencies



# Rehabilitation, Counseling, and Training Support Options

## Cognitive Rehabilitation

- One-on-one therapy to improve cognitive skills to improve functional abilities
  - Assists in the restoration of cognitive function to remediate maladaptive behaviors for individuals whose work and life arrangements are at-risk
  - Includes cognitive evaluation, testing, assessment, counseling, and interventions
  - Teaches compensatory strategies to individuals



## Consultation Services

- Provide habilitative and educational techniques to individuals and families, designed to decrease problem behaviors to assist individuals in acquiring skills to live independently in communities
  - **Behavioral consultation:** includes three levels of behavioral services depending on the severity, impact, and cause of problematic behaviors.
    - Behavioral services include using accepted practices and interventions
  - **Therapeutic Consultation:** provides assessment and intervention of needed services in a variety of areas (psychology, behavior, speech-language, occupational, physical, and others)

# Rehabilitation, Counseling, and Training Support Options

## Family Counseling and Training Services

- Services provided to the individual and family to increase capabilities in caring for the individual
  - Family members are the spouse, children, or other members not employed to care for the individual
  - Counseling is to help the individual or family members gain strategies to cope with stress, crises, depression, and psychosocial isolation





# Residential Support Options

## Home Support Services

- Individually-tailored support services that assist with the acquisition, retention, and improvement of life skills in order to live in the community
  - Provides three levels of support services of varying intensity to provide skills associated with activities of daily living, community inclusion, transportation, social development, and integration
  - Support levels include remote support (Level 0) and in-home (Level 1) for those that do not need 24/7 care; Level 2 and Level 3 support is for individuals in residential or provider-owned facilities that need more intense support services to maximize independence and skill development

## In-Home Support Services

- Supplements individual and caregiver care associated with adaptive skills necessary to live at-home and in the community
  - Provides skill-building for those living at-home to improve self-help, socialization, and skills associated with activities of daily living
  - Supports individuals to replace challenging behaviors with acceptable behaviors
  - Provides support with transportation to and from community resources

# Residential Support Options

## Supported Living

- Assist and provide skills for individuals to acquire and maintain skills for self-care, self-directedness, and participating in the community
  - Provide skills to individuals to sustain oneself in the physical environment: self-advocacy, manage budgets, plan and make meals, use community resources
  - Increase socialization, communication, and interpersonal skills
  - Provide non-medical transportation to community services

## Transitional Living Program

- Intensive 24-hour services provided in a residential setting, designed to facilitate comprehensive services to help individuals transition to home/community
  - Only provided within 18 months of a first brain injury or 3 months for a second injury; the duration of the services continue as long as medically needed
  - Services are comprehensive, including assessment, training, and skill (sensory, motor, communication, interpersonal, socialization, behavioral, occupational) development
  - Providers must be CARF-Accredited as Residential Rehabilitation or Brain Injury Programs

# Community Support Options

## Personal Assistance Care Services

- Provide direct support and supervision with activities of daily living, administration of medication, monitoring health, and work/school assistance
  - Assistance can be provided either through agency- or consumer-directed models
  - Individuals should have a demonstrable need for the services and can receive both agency- and consumer-directed care, if needed
  - All support providers must be registered with DMAS or employed by a VDH-licensed facility with appropriate training and certification



# Community Support Options

## Assistive Technology/Environmental Modifications/ Electronic Home-based Supports

- Improve an individual's functional status through use of assistive technology (AT)
  - Assistive technology is any item, equipment, or system that improves an individual's functional status
  - Services include impact evaluation, acquisition, customization, and maintenance of AT
  - Provides training and technical assistance to individuals
- Environmental modifications
  - Provides physical adaptations to an individual's home or vehicle
  - Ensures individual's welfare and independence
- Electronic Home-based Support
  - Goods and services that allow individuals to use technology for independence and self-determination



# Community Support Options

## Respite Care

- Provide temporary substitute care on a short-term basis due to the absence or need for routine primary care
  - Care can be provided either in-home, in the community, or center-based if agency-directed
  - Individuals qualify with a demonstrable need for assistance with activities of daily living, community access, self-administration of medicines, or monitoring health status
  - Respite care can be due to an unpaid caregiver expressing a need for relief
  - Respite care providers and agencies shall meet administrative requirements

# Community Support Options

## Non-Medical Transportation: Employment and Community Transportation

- Promote independence by providing non-medical transportation to work, community events, social activities and events, places of worship, and others
  - Service may be provided by family or community members
  - Transportation includes to and from other waiver services
  - Includes the purchase of public transit passes



# Neurobehavioral Science Unit Overview

- Provides neurological/neurobehavioral assessment and service plan to progress individuals for community re-entry
  - Provides a multidisciplinary intensive treatment plan for individuals, including behavioral health, cognitive, and rehabilitation professionals
  - Supports community integration through therapy and other services that help improve communication abilities, psychosocial functioning, and ability to self-regulate mental and emotional states
  - Services are facility-based in nursing facilities, specialized nursing facilities, or dedicated neurorehabilitation/neurobehavioral facilities



# Reimbursement Units



# Reimbursement Unit Overview

- The following programs are considered in for identifying reimbursement units for TCM and 1915(c) waiver services\*:
  - Twenty-one states operating 28 1915(c) brain injury programs (approved and active as of February 1, 2023)
  - Four 1915(c) waivers operated within Virginia
  - State Plans from three states that are included in the research for TCM.
- Consistency with existing programs for common and similar services is key to identifying suitable units.

\*Note: See slides 45-46 for the list of programs.

# Reimbursement Units

Proposed Service – Proposed Unit	Proposed Rate Setting Approach (Existing VA Model vs. New Model)	Service and Units for VA Programs	Examples of Units from Other BI Programs (1915(c) Waivers and/or State Plans)
<b>Targeted Case Management (TCM) - Month</b>	Existing VA Model	<ul style="list-style-type: none"> <li>Service Coordination/ Case Management (Month)</li> </ul>	<ul style="list-style-type: none"> <li>Month (CA, GA, IN, KY, MS, NC, ND, NM, SC, TX, WV, WY)</li> <li>15 mins (CA, CO, CT, GA, KY, KS, MD, MN, MT, OK, SC, SD, UT, WV, WY)</li> </ul>
<b>Assistive Technology – Per Item (Maximum similar to existing waivers)</b>	Existing VA Model	<ul style="list-style-type: none"> <li>Environmental Modifications (VA.0358, VA.0372, VA.0430, VA.0321: Per Item)</li> <li>Assistive Technology (VA.0358, VA.0372, VA.0430, VA.0321: Per Item)</li> </ul>	<ul style="list-style-type: none"> <li>Maximum Cap Per Item / Installation. e.g., annual, every 5 years, lifetime limit (CT, IL, KY, MN, WY)</li> <li>As billed</li> <li>15 Minutes, Per Device (ME)</li> </ul>
<b>Family Counseling and Training Services – Behavioral Consultation – Per Hour</b>	Existing Model	<ul style="list-style-type: none"> <li>Therapeutic Consultation (VA.0358, VA.0372: Per Hour)</li> </ul>	<ul style="list-style-type: none"> <li>15 mins (IA, IN, MN, KY, WY)</li> <li>Evaluation, Visit, Session (IL, MA, WY)</li> <li>Hour (IL)</li> </ul>
<b>Family Counseling and Training Services – Therapeutic Consultation – Per Hour</b>	Existing Model	<ul style="list-style-type: none"> <li>Therapeutic Consultation (VA.0358, VA.0372: Per Hour)</li> </ul>	<ul style="list-style-type: none"> <li>15 mins (IA, MN, KY, WY)</li> <li>Evaluation, Visit, Session (IL, MA, WY)</li> <li>Hour (IL)</li> </ul>
<b>Clubhouse – Per Hour</b>	Existing Model	<ul style="list-style-type: none"> <li>Group Day Services (VA.0358, VA.0372, VA.0430: Per Hour)</li> <li>Adult Day Health Care (VA.0321: Per Day)</li> </ul>	<ul style="list-style-type: none"> <li>15 mins (CO, KY)</li> <li>Day (CT, CO, ME)</li> </ul>
<b>Cognitive Rehabilitation – Per Hour</b>	New Model	-	<ul style="list-style-type: none"> <li>15 mins (MO, NC, CT, WY)</li> <li>Per Visit (IL)</li> </ul>
<b>Employment Specialist Services – Per Hour</b>	Existing VA Model	<ul style="list-style-type: none"> <li>Individual/Group Supported Employment (VA.0358, VA.0372, VA.0430: Per Hour)</li> </ul>	<ul style="list-style-type: none"> <li>15 mins (ME, MN, NY)</li> <li>Day (NY, IL)</li> <li>Hour (IA, CT)</li> </ul>

# Reimbursement Units (cont.)

Proposed Service – Proposed Unit	Proposed Rate Setting Approach (Existing VA Model vs. New Model)	Service and Units for VA Programs	Examples of Units from Other BI Programs (1915(c) Waivers and/or State Plans)
<i>In-Home Support Services – Per Hour</i>	Existing VA Model	<ul style="list-style-type: none"> <li>In-Home Support Services (Per Hour)</li> </ul>	<ul style="list-style-type: none"> <li>15 mins and Day (MN)</li> </ul>
<i>Personal Assistance Services – Per Hour</i>	Existing VA Model	<ul style="list-style-type: none"> <li>Personal Assistance, Companion Care, Respite (VA.0358, VA.0372: Per Hour)</li> </ul>	<ul style="list-style-type: none"> <li>15 mins (CO, CT, FL, IA, KS, MA, MN, MO, MS, NC, UT, WV, WY)</li> </ul>
<i>Respite Care – Per Hour</i>	Existing VA Model	<ul style="list-style-type: none"> <li>Personal Assistance, Companion Care, Respite (VA.0358, VA.0372: Per Hour)</li> </ul>	<ul style="list-style-type: none"> <li>15 mins (CO, IA, KY, MN, MS, NY, WY)</li> <li>Day (CO, IA, MA, MN, MS, NY, WY)</li> <li>Hour (CT, IL)</li> </ul>
<i>Home Supports – Per Hour or Day</i>	New Model	<ul style="list-style-type: none"> <li>Group Home (Per Day)</li> </ul>	<ul style="list-style-type: none"> <li>Per Day (MA, MD, ME)</li> </ul>
<i>Supported Living – Per Day</i>	Existing VA Model	<ul style="list-style-type: none"> <li>Supported Living Residential (VA.0372: Per Member per Day)</li> </ul>	<ul style="list-style-type: none"> <li>Per Day (CO, MD, IA)</li> </ul>
<i>Transitional Living Program – Per Day</i>	New Model	<ul style="list-style-type: none"> <li>Shared Living, Independent Living Supports (VA.0358, VA.0372, VA.0430: Per Member Per Month)</li> </ul>	<ul style="list-style-type: none"> <li>Per Day (CO, CT)</li> </ul>
<i>Transportation – Non-Medical – Per Trip</i>	Existing VA Model	<ul style="list-style-type: none"> <li>Employment and Community Transportation (VA.0358, VA.0372, VA.0430: Per Trip / One-Way)</li> </ul>	<ul style="list-style-type: none"> <li>Trip or Mile Trip (CO, IA, IN, MA, MN, WY)</li> <li>Mile (CT, IA, IN, MN, WV)</li> <li>Day (CO)</li> <li>Month (CO, ME)</li> </ul>

# Direct Care Compensation Methodology

# Brain Injury Program and Rate Development Scope

## Virginia Department of Medical Assistance Services (DMAS) Rate Study

### State Plan Targeted Case Management (TCM)

- *For people with severe traumatic brain injury*

### 1915(c) Home and Community-Based Services

- *For people with brain injury or neurocognitive disorder*
- *Wide range of services including Residential, Behavioral Health, In-Home Services, Day and Employment, Nursing, and Equipment and Modification services*

### Neurobehavioral Unit

- *For people who need a level of care as an institutional alternative beyond what is available through waiver*

### Rate Methodology and Rate Development

### Service Identification, Eligibility Criteria, Definitions, and Specifications

### Stakeholder Engagement

### Documentation and Reporting

# Independent Rate Build-up Approach

## Direct Care Cost

### Cost for Direct Care Services

- Wages
- Benefits
- Productivity

*Adjusted by staffing ratios or hours, as applicable*

### Supervisory Direct Care Cost

- Wages
- Benefits
- Productivity

*Adjusted by supervisor ratios or hours, as applicable*



## Indirect Cost

**Administrative Costs** include costs associated with operating a provider organization, such as costs for administrative employees' salaries and wages along with non-payroll administration expenses, such as licenses, property taxes, liability and other insurance.

**Program Support Costs** include personnel and non-personnel costs associated with direct care service delivery for each service including:

- Staff and Client Transportation
- Supplies
- Building & Equipment
- Depreciation



## Other Rate Adjustments

**Geographic Rate Adjustment**

**Support Coordination / Nursing** (*Wages + Benefits + Staffing*)

**Occupancy Rate** (*Average Days Paid : Billable; Number of vacancy days*)

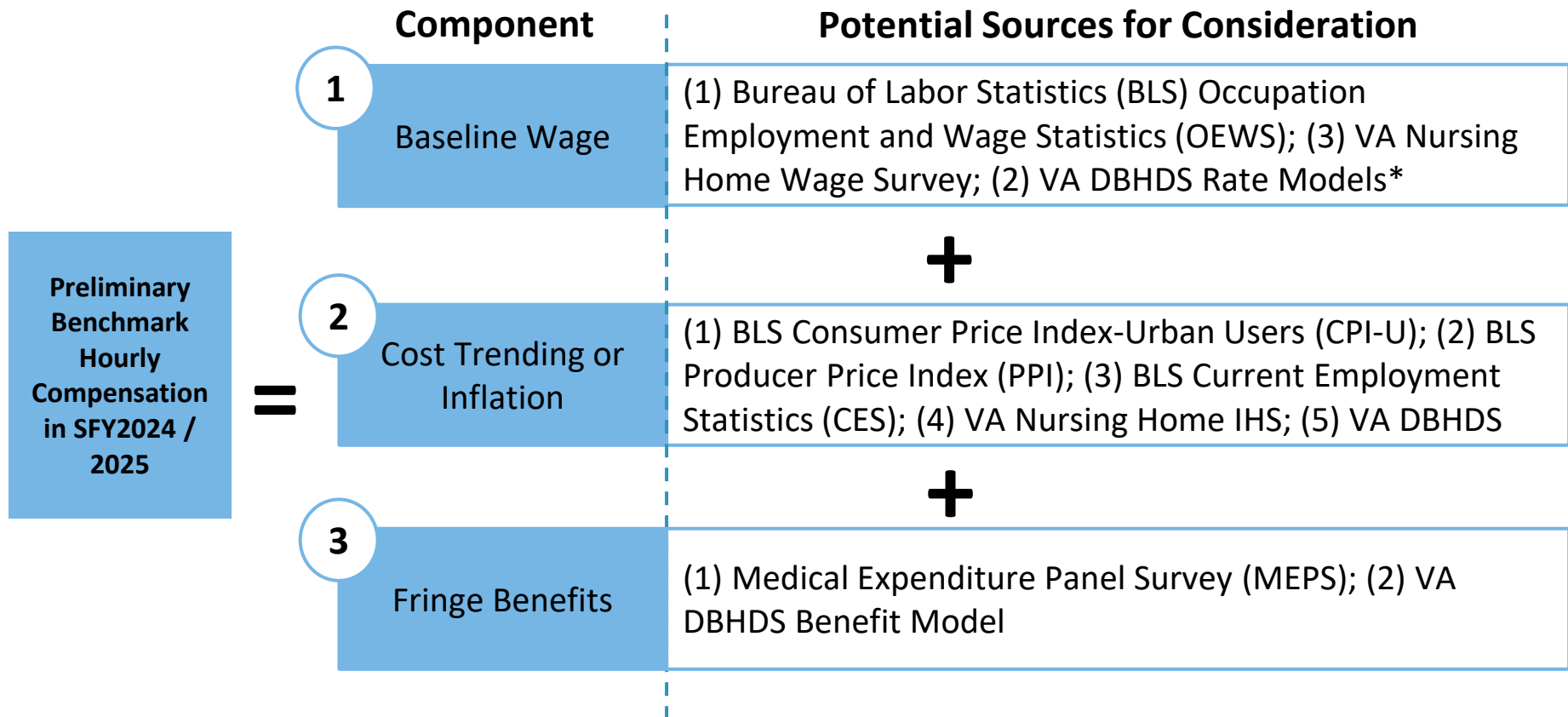
**Varies Based on Service Category**



**Service Rate per Unit**

# Wage and Benefit Adjustment Methodology

Benchmark compensation may be computed by inflating baseline wage to reflect growth in costs, supplemental pay (as applicable), and benefits as a function of wage and labor costs.



\*VA DBHDS = Virginia Department of Behavioral Health and Developmental Services

# Example Rate Model

Example Calculation for Clubhouse		
Direct Care Compensation	DSP Wage Assumption (Baseline Wage+ Applicable Inflation)	\$16.20
	Employee-Related Expenses	26.2% of DSP Wage
Compensation per DSP per Hour		$\$16.20 \times 126.2\% = \mathbf{\$20.44}$
Adjustments for Billable Time	Productivity Adjustment	8 hours ÷ 7 billable hours = 1.14
	Supervision Factor	\$2.54
	Occupancy Adjustment	260 days ÷ 240 paid = 1.083
	Staffing Ratio Adjustment	1 : 5
Adjusted Compensation per DSP per Hour per Client		$(\$20.44 \times 1.14 + \$2.54) \times 1.083 \div 5 = \mathbf{\$5.60}$
Additional Components	Capital Factor	\$1.30
	Program Support Factor	$10.6\% \times \$5.60 = \$0.59$
	Administrative Expenses	14.3% of Adjusted Compensation
Adjusted Rate per Hour per Client		$(\$5.60 \times 114.3\%) + \$1.30 + \$0.59 = \mathbf{\$8.29}$



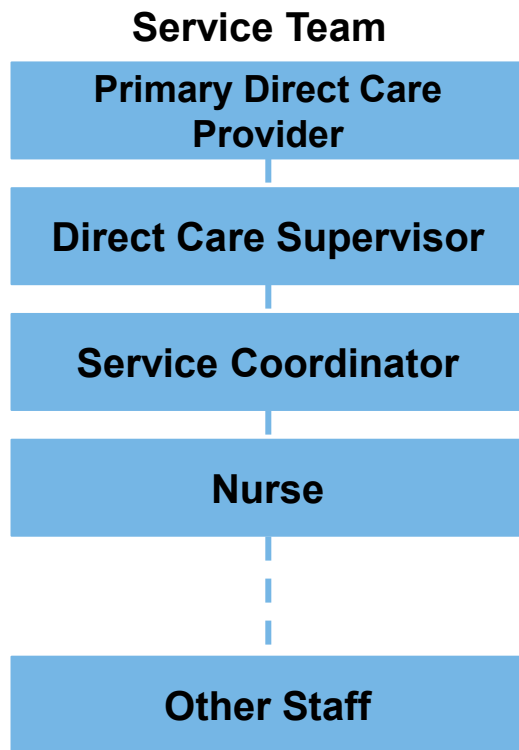
# Baseline Wage Data Source Options

	Advantages	Disadvantages
<p><b>Bureau of Labor Statistics (BLS)</b></p> <p><i>The Occupational Employment and Wage Statistics (OEWS) program produces employment and wage estimates annually for approximately 830 occupations in Virginia. 2022 data release on 4/30</i></p>	<ul style="list-style-type: none"> <li>Data is specific to the state</li> <li>Uses “gold-standard data” which is objective and accurate</li> <li>Uses consistent methodology for data gathering and recurring updates (DD waiver also uses BLS)</li> <li>Able to serve as a broader benchmark / representative of general population</li> <li>Includes one-to-one match for nearly all staff categories for BI services (e.g., OP/PT/ST, LPN/RN/CNA)</li> </ul>	<ul style="list-style-type: none"> <li>Not every staff category in HCBS data is a one-to-one match with BI services</li> <li>Lag in updated data (2021); requires inflation to make it current</li> </ul>
<p><b>Virginia Nursing Home Wage Survey</b></p> <p><i>The Wage Survey captures employee salary cost, employee hours worked, and employee paid hours for CNAs, LPNs, and RNs across 220 provider numbers</i></p>	<ul style="list-style-type: none"> <li>Data is specific to the state</li> <li>Allows benchmarking for nursing staff (RN, LPN, CNA)</li> <li>Most recent data could be available for rebasing since it’s an annual survey</li> </ul>	<ul style="list-style-type: none"> <li>Not every job category is available for benchmarking with BI service staff</li> <li>Salary costs include paid time off as well</li> <li>Lag in updated data (2021); requires inflation to make it current</li> </ul>
<p><b>VA DBHDS Rate Model Wages</b></p> <p><i>Proposed rate models include 2020 BLS wages (50<sup>th</sup> PCT) as baseline</i></p>	<ul style="list-style-type: none"> <li>Data is specific to a few providers in the state that may be common with BI program</li> <li>Scope to create rate parity for common services</li> <li>Use consistent methodology across waivers</li> </ul>	<ul style="list-style-type: none"> <li>Not every job category is available and is a one-to-one match with BI services</li> <li>Lag in updated data (2020); requires inflation to make it current</li> <li>Can be a “circular reference” as existing rates impact existing wages</li> </ul>

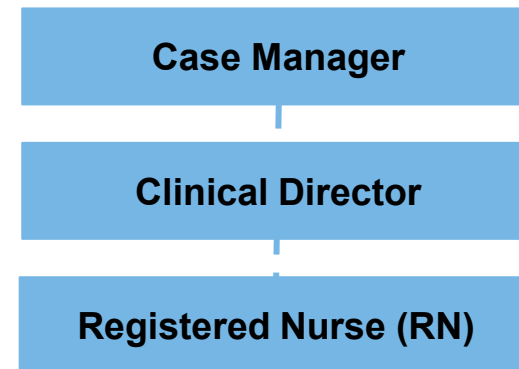
# Staff for Service Delivery and Supervision

The typical service delivery team is identified based on service definition, state policy, and/or provider experience to build rates for services.

- Appropriate compensation and staffing assumptions are developed for each identified staff type.



## Example Targeted Case Management Service Team



# BLS Occupational Employment and Wage Statistics (OEWS) for Virginia

## The Bureau of Labor Statistics releases state-specific wage estimates on an annual basis.

- The Occupational Employment and Wage Statistics (OEWS) program produces employment and wage estimates annually for approximately 830 occupations. These estimates are available for the nation as a whole, for individual states, and for metropolitan and nonmetropolitan areas; national occupational estimates for specific industries are also available.
  - **Metro:** Charlottesville, VA Harrisonburg, VA Lynchburg, VA Richmond, VA Roanoke, VA Staunton-Waynesboro, VA Virginia Beach-Norfolk-Newport News, VA-NC Winchester, VA-WV
  - **Non-Metro:** Southwest Virginia nonmetropolitan area, Southside Virginia nonmetropolitan area, Northeast Virginia nonmetropolitan area
- The most recent BLS OEWS data was released for May 2021, and it includes statewide, metro, and non-metro wages including the hourly and annual average, 10<sup>th</sup>, 25<sup>th</sup>, 50<sup>th</sup>, 75<sup>th</sup> and 90<sup>th</sup> percentile wages for a variety of job types including the health and social sciences domain.
- BLS occupation types align with federal guidelines from the Office of Management and Budget (OMB) and the Standard Occupational Classification Policy Committee (SOCPC).

Source: The Bureau for Labor Statistics (BLS), 2021 Virginia Occupation Wages Available online: <https://www.bls.gov//data>; <https://www.bls.gov/soc/2018/#materials>

# BLS Targeted Case Management Baseline Wage

The table below includes baseline hourly wages for comparable job classifications in the BLS data.

No.	DMAS Virginia Service	Virginia DD Waiver – Service Coordination and Case Management (BLS May 2020 inflated to May 2021 by 3.9% inflation factor) <sup>1</sup>			BLS Virginia Benchmark Hourly Wages (May 2021)												
					Job Type	Statewide				Metropolitan (Average)				Nonmetropolitan Area (Average)			
#	Service Title	BLS SOC Title	PCT	Hourly Wage	BLS SOC Title	Mean	50 PCT	75 PCT	90 PCT	Mean	50 PCT	75 PCT	90 PCT	Mean	50 PCT	75 PCT	90 PCT
1	Case Manager – Standard	Healthcare Social Workers (21-1022)	50 PCT Non-Metro	\$26.23	Healthcare Social Workers (21-1022)	\$27.60	\$28.64	\$31.73	\$38.99	\$27.02	\$26.08	\$31.82	\$37.30	\$23.66	\$23.16	\$27.80	\$30.33
	Case Manager – NOVA	Healthcare Social Workers (21-1022)	50 PCT Metro	\$30.38													

- Healthcare Social Workers:** *Provide individuals, families, and groups with the psychosocial support needed to cope with chronic, acute, or terminal illnesses. Services include advising family caregivers. Provide patients with information and counseling, and make referrals for other services. May also provide **case and care management or interventions designed to promote health, prevent disease, and address barriers to access to healthcare.***

Sources: <https://www.bls.gov/oes/current/oes211022.htm>; <https://www.bls.gov/oes/current/oes310000.htm>; (1) 3.9% per year inflation metric was used to inflate May 2020 wages to January 2023 for VA DD rate setting

# BLS Direct Care Baseline Hourly Wages – Occupational, Physical, Speech, Recreational Therapists

The table below includes baseline hourly wages for comparable job classifications in the BLS data. One or more of these job types may be included in relevant service and applicable rates.

BLS Virginia Baseline Hourly Wages (May 2021)														May 2021
	Job Type	Statewide				Metropolitan (Average)				Nonmetropolitan Area (Average)				VA DD Wage (May 2020 + 3.9% inflation)
#	BLS SOC Title	Mean	50 PCT	75 PCT	90 PCT	Mean	50 PCT	75 PCT	90 PCT	Mean	50 PCT	75 PCT	90 PCT	ROS / NOVA Wage <sup>2</sup>
1	Occupational Therapists	\$45.65	\$46.39	\$48.87	\$61.42	\$43.08	\$44.59	\$47.79	\$51.92	\$42.24	\$39.69	\$47.60	\$58.81	\$44.26 / \$51.24
2	Occupational Therapy Aides	\$17.45	\$14.68	\$17.43	\$29.17	\$17.50	\$15.48	\$18.27	\$22.50	-	-	-	-	-
3	Occupational Therapy Assistants	\$32.01	\$30.12	\$37.34	\$40.01	\$31.44	\$31.31	\$37.21	\$40.75	\$30.05	\$29.37	\$36.95	\$38.24	\$32.83 / \$41.47
4	Physical Therapist Aides	\$15.29	\$14.21	\$17.81	\$22.14	\$15.68	\$14.09	\$16.79	\$23.46	\$13.55	\$11.43	\$13.92	\$17.88	\$13.73 / \$17.33
5	Physical Therapist Assistants	\$27.28	\$29.20	\$36.73	\$38.63	\$27.69	\$28.10	\$33.86	\$36.98	\$28.08	\$29.12	\$34.62	\$37.59	\$28.55 / \$36.07
6	Physical Therapists	\$43.64	\$45.32	\$48.85	\$58.55	\$42.45	\$41.81	\$48.15	\$53.29	\$42.28	\$41.90	\$47.61	\$57.79	\$44.72 / \$51.77
7	Recreational Therapists <sup>1</sup>	\$23.99	\$22.55	\$28.30	\$35.39	\$24.38	\$22.47	\$28.41	\$36.80	-	-	-	-	-
8	Speech-Language Pathologists	\$43.82	\$45.72	\$49.07	\$61.20	\$38.19	\$37.47	\$46.22	\$49.92	\$38.80	\$35.49	\$45.00	\$55.33	\$43.67 / \$50.56

Sources: <https://www.bls.gov/oes/current/oes211022.htm>; <https://www.bls.gov/oes/current/oes310000.htm>; (1) Certified Therapeutic Recreation Specialist; (2) 3.9% per year inflation metric was used to inflate May 2020 wages to January 2023 for VA DD rate setting

# BLS Direct Care Baseline Hourly Wages – Mental Health Practitioners

The table below includes baseline hourly wages for comparable job classifications in the BLS data. One or more of these job types may be included in relevant service and applicable rates.

BLS Virginia Baseline Hourly Wages (May 2021) <sup>5</sup>														May 2021
	Job Type	Statewide				Metropolitan (Average)				Nonmetropolitan Area (Average)				VA DD Wage (May 2020 + 3.9% inflation)
#	BLS SOC Title	Mean	50 PCT	75 PCT	90 PCT	Mean	50 PCT	75 PCT	90 PCT	Mean	50 PCT	75 PCT	90 PCT	ROS / NOVA Wage <sup>5</sup>
8	Rehabilitation Counselors	\$21.59	\$18.85	\$24.02	\$30.96	\$19.85	\$18.92	\$23.38	\$27.94	\$19.92	\$18.24	\$22.83	\$26.96	\$19.51 / \$22.60
9	Clinical and Counseling Psychologists <sup>2</sup>	\$52.36	\$39.94	\$77.47	\$99.00	\$46.82	\$41.19	\$56.56	\$76.08	\$44.39	\$37.87	\$48.56	\$61.21	\$38.99 / \$45.15
10	Psychologists, All Other	\$50.32	\$51.75	\$58.90	\$64.80	\$45.52	\$49.91	\$55.69	\$58.72	-	-	-	-	-
11	School Psychologists <sup>3</sup>	\$42.73	\$38.22	\$48.51	\$61.67	\$35.97	\$36.68	\$38.77	\$47.68	-	-	-	-	\$38.99 / \$45.15
12	Healthcare Social Workers <sup>1</sup>	\$27.60	\$28.64	\$31.73	\$38.99	\$27.02	\$26.08	\$31.82	\$37.30	\$23.66	\$23.16	\$27.80	\$30.33	\$26.23 / \$30.38
13	Mental Health and Substance Abuse Social Workers	\$26.04	\$23.25	\$29.80	\$37.23	\$22.55	\$20.52	\$25.54	\$31.63	\$20.76	\$20.43	\$23.36	\$27.81	-
14	Substance Abuse, Behavioral Disorder, & Mental Health Counselors <sup>4</sup>	\$25.58	\$23.47	\$29.06	\$36.86	\$24.14	\$23.18	\$28.16	\$35.42	\$22.71	\$22.47	\$25.68	\$33.90	\$23.89 / \$27.66
15	Psychiatrists	\$118.56	-	-	-	\$109.34	\$94.24	-	-	-	-	-	-	-

Sources: <https://www.bls.gov/oes/current/oes211022.htm>; <https://www.bls.gov/oes/current/oes310000.htm>; (1) Licensed Clinical Social Worker (LCSW); (2) Licensed Behavior Analyst Neuropsychologist; (3) Licensed Assistant Behavior Analyst; (4) Certified Brain Injury Specialist; (5) 3.9% per year inflation metric was used to inflate May 2020 wages to January 2023 for VA DD rate setting

# BLS Direct Care Baseline Hourly Wages – Nursing Staff

The table below includes baseline hourly wages for comparable job classifications in the BLS data as well as VA DD and nursing homes data.

BLS Virginia Baseline Hourly Wages (May 2021)														May 2021	CY2021
	Job Type	Statewide				Metropolitan (Average)				Nonmetropolitan Area (Average)				VA DD Wage (May 2020 + 3.9% inflation)	Nursing Home Survey
#	BLS SOC Title	Mean	50 PCT	75 PCT	90 PCT	Mean	50 PCT	75 PCT	90 PCT	Mean	50 PCT	75 PCT	90 PCT	ROS / NOVA Wage <sup>3</sup>	Cost per Hour (Average / Weighted by #Staff) <sup>4</sup>
17	Licensed Practical and Licensed Vocational Nurses	\$23.28	\$22.70	\$27.20	\$29.03	\$22.58	\$22.70	\$24.15	\$28.48	\$21.69	\$22.21	\$22.76	\$28.21	\$21.89 / \$27.66	\$28.33 / \$28.25
18	Nurse Practitioners <sup>1</sup>	\$54.00	\$49.45	\$61.39	\$73.14	\$50.88	\$49.11	\$59.00	\$62.35	\$49.24	\$47.72	\$56.73	\$64.59	-	-
19	Nursing Assistants <sup>2</sup>	\$14.85	\$14.28	\$17.40	\$18.15	\$14.37	\$14.13	\$15.83	\$17.85	\$13.43	\$13.77	\$14.18	\$17.28	\$13.79 / \$17.41	\$17.24 / \$17.23
20	Registered Nurses	\$36.87	\$36.97	\$41.84	\$48.56	\$34.84	\$34.79	\$37.93	\$45.97	\$31.33	\$29.40	\$36.58	\$41.34	\$34.37 / \$39.79	\$38.16 / \$37.91
21	Home Health and Personal Care Aides	\$11.86	\$11.06	\$13.45	\$14.24	\$11.45	\$11.00	\$11.45	\$13.99	\$11.02	\$10.79	\$11.01	\$12.35	\$10.56 / \$13.33	-
22	Social and Human Service Assistants	\$17.56	\$17.20	\$21.17	\$23.54	\$16.13	\$15.76	\$18.25	\$20.95	\$15.10	\$14.13	\$17.53	\$19.28	\$15.48 / \$19.55	-

Sources: <https://www.bls.gov/oes/current/oes211022.htm>; <https://www.bls.gov/oes/current/oes310000.htm>; (1) Psychiatric Nurse Practitioner, Psychiatric Clinical Nurse Specialist; (2) Certified Nursing Assistant; (3) 3.9% per year inflation metric was used to inflate May 2020 wages to January 2023 for VA DD rate setting; (4) Employee Salary / (Employee Hours Worked + Paid Leave Hours), 2021 NH Survey

# Cost Trending or Inflation Source Options

	<b>Producer Price Index (PPI)</b>  <i>Published for Medicaid populations suitable for estimating annual inflationary increases in provider costs</i>	<b>Current Employment Statistics (CES)</b>  <i>The Bureau of Labor Statistics National Current Employment Statistics (CES) data produces earnings of workers within specific industries</i>	<b>VA IHS Markit – Nursing Home</b>  <i>Nursing Home IHS Markit Inflation - S&amp;P Global (Q3, 2022)</i>
Industries / Populations / Service Categories	<ul style="list-style-type: none"> <li>Nursing Facility and Residential Homes</li> <li>Residential Developmental Disability Homes</li> </ul>	<ul style="list-style-type: none"> <li>Nursing and Residential Facility</li> <li>Residential intellectual and developmental disability, mental health, and substance abuse facilities</li> </ul>	<ul style="list-style-type: none"> <li>Nursing Home</li> </ul>
Advantages	<ul style="list-style-type: none"> <li>Most representative of the broader target population – includes Medicaid-specific data and services similar to HCBS</li> <li>Reflects the costs of providing services</li> </ul>	<ul style="list-style-type: none"> <li>Focuses on employment and wages</li> <li>Includes services similar to HCBS and providers similar to HCBS staff</li> <li>Data includes overtime and supplemental pay which represents changes in competitive base wages</li> </ul>	<ul style="list-style-type: none"> <li>Virginia-specific price index</li> <li>Consistent data provided to the state on a quarterly basis</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>Index of costs as a whole, not specific to wage growth only</li> <li>National metric not specific to Virginia</li> </ul>	<ul style="list-style-type: none"> <li>National metric not specific to Virginia</li> </ul>	<ul style="list-style-type: none"> <li>Specific to nursing homes (RNs, LPNs, CNAs)</li> </ul>
<b>Average Annual Change (2022)</b>	<b>5.71%</b> <i>(avg. 5.06% &amp; 6.36%)</i>	<b>8.81%</b> <i>(avg. 8.81% &amp; 8.81%)</i>	<b>7.20%</b>
<b>3-Year Average Annual Change (2020-2022)</b>	<b>4.21%</b> <i>(avg. 4.64% &amp; 3.78%)</i>	<b>7.23%</b> <i>(avg. 7.11% &amp; 7.35%)</i>	<b>7.67%</b>



# Cost Trending: BLS Producer Price Index (PPI)

**The Bureau of Labor Statistics Producer Price Indices (PPI) for Medicaid populations suitable for estimating annual inflationary increases in provider costs.**

- Producer Price Index (PPI) is a Federal index of inflation across multiple industries in health care for Medicaid populations and services. The BLS has collected data on changes in Medicaid providers' costs on a monthly basis and measured it with a unique inflation index since 2012.

Producer Price Index (PPI) for Medicaid Providers – Annual Average Change													
Industry	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023*	3-year Average
Nursing Facility	-	0.33%	1.14%	2.72%	2.13%	2.63%	3.87%	3.95%	4.92%	3.95%	5.06%	4.89%	4.64%
Residential Developmental Disability Homes	-	-	-	3.03%	4.48%	4.21%	3.30%	2.62%	3.59%	3.55%	6.36%	2.86%	3.78%

\*As of January 2023. 2023 data is preliminary, and all indexes are subject to monthly revisions up to four months after original publication.

Source: The Bureau of Labor Statistics (BLS), PPI Industry Data for Medicaid patients Available online: <https://beta.bls.gov/dataViewer/view/timeseries/PCU62321062321011>

# Cost Trending: BLS Current Employment Statistics

**The Bureau of Labor Statistics National Current Employment Statistics (CES) data produces earnings of workers within specific industries.**

- The table below includes annual growth trends calculated based on average hourly wages reported as part of the CES data over the past decade.

Average hourly earnings of all employees													
Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	3-year Average
Nursing and Residential Facility	\$15.96	\$16.01	\$16.17	\$16.35	\$16.71	\$17.18	\$17.68	\$18.25	\$18.91	\$20.07	\$21.35	\$23.23	\$21.55
	-	0.31%	1.00%	1.11%	2.20%	2.81%	2.91%	3.22%	3.62%	6.13%	6.38%	8.81%	7.11%
Residential intellectual and developmental disability, mental health, and substance abuse facilities	\$14.58	\$14.57	\$14.83	\$15.13	\$15.61	\$16.04	\$16.66	\$17.55	\$18.27	\$19.42	\$20.77	\$22.60	\$20.93
	-	-0.07%	1.78%	2.02%	3.17%	2.75%	3.87%	5.34%	4.10%	6.29%	6.95%	8.81%	7.35%

Source: Bureau of Labor Statistics, Current Employment Statistics (CES) Survey, Employment, Hours and Earnings.

# Virginia Nursing Home Survey and Developmental Disability Waiver Inflation Factors

The following inflation metrics are used to inflate wages and rates in Virginia's existing and comparable programs.

- **Nursing Home IHS Markit Inflation - S&P Global (Q3, 2022):**

IHS Markit - Annual Growth in Market Baskets								
	2017	2018	2019	2020	2021	2022	2023	2024
Hospital								
Virginia	2.9	3.5	1.8	2.5	7.6	8.3	3.8	3.0
National *	2.6	2.5	2.2	2.0	3.7	5.8	3.7	3.0
Nursing Home								
Virginia	3.1	3.1	4.3	4.8	11.0	7.2	4.4	3.8
National *	2.7	2.6	2.2	2.3	4.2	6.1	3.6	2.6
* National baskets are now deflated by total factor productivity								

- **DBHDS Waiver - Bureau of Economic Analysis:** Wages adjusted by the larger of the assumed minimum wage increase or calculated inflationary adjustment.
  - **Calculated Inflationary Adjustment (above \$14.71 per hour):** 3.9% annual growth is based on ten-year (2010-2020) compound annual growth rate in wages (net earnings) in Virginia; 10.74% for 32 months (May 2020 to Jan 2023 inflation)
  - **Minimum Wage Increase Adjustment (below \$14.71 per hour)**

# Geographic Rate Adjustment

# Geographic Rate Adjustment Factors: Peer State Methodologies for Consideration

The tables below include examples of how states adjust rates to account for geographical cost differences.

## Option 1: Wage Differential

- Wages are informed by minimum wage requirements in major city vs. rest of state
- Components are factor of wages resulting in ripple effect on all cost components

- **Illinois:** Chicago wage is 15% more than rest of state wage
- **Colorado:** Denver rate is based on Denver City minimum wage requirements (2019-2022), BLS is used for outside Denver
- **New York:** HCBS service rates split by NYC, Long Island, Rockland, Rest of State, Rural
- **Virginia (DD):** Higher BLS wage for NOVA compared to rest of state BLS wage.

## Option 2: Rural Transportation Differential

- Offer higher mileage costs for rural regions compared to urban regions to account for the increased miles driven (e.g., IRS mileage)

- **North Dakota:** Rural differential rate is based on the number of miles (round trip) provider travels from their home base to provide services at the home of an authorized caregiver.
- **Virginia (DD):** Higher mileage (number of miles travelled) for rest of state compared to NOVA.

## Option 3: Other Cost of Living Adjustment (COLA) on Rates

- Identify COLA based on existing policy or rates inclusive of various costs (e.g., housing, transportation, etc.)

- **Maryland:** Legislature mandated 3.5% COLA for certain providers and services
- **Montana:** Urban vs. Frontier/Rural rates for certain services (e.g., Supported Living, Residential Training Supports, Home Supports and TCM-Youth). For e.g., rural and frontier is 107.5% of standard rate

Sources: IL: [https://www.dhs.state.il.us/page.aspx?item=136098#a\\_toc15](https://www.dhs.state.il.us/page.aspx?item=136098#a_toc15); CO: 1915(c) waiver (0288); NY: 1915(c) waiver (0269); ND: [https://www.nd.gov/dhs/policymanuals/65025/Content/Archive%20Documents/2016%20-%203463/650\\_25\\_30\\_10\\_15%20ML3463.htm](https://www.nd.gov/dhs/policymanuals/65025/Content/Archive%20Documents/2016%20-%203463/650_25_30_10_15%20ML3463.htm); MD: 1915(c) waiver; MT: <https://leg.mt.gov/content/Committees/Interim/2021-2022/Children-Families/Admin-Materials/aug2022-provider-rate-study-report.pdf>

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# **Employee Related Expenses (ERE) or Provider Fringe Benefits**

# Setting a Competitive Benefits Package

**Assumptions for employee-related expenses (ERE) intend to look at what a provider should be able to offer as a competitive benefits package.**

- ERE, or fringe benefits, are costs to the provider beyond wages and salaries, such as unemployment taxes, health insurance, and paid time off (PTO). These fall into three distinct categories of benefits:
  - **Legally Required Benefits** including federal and state unemployment taxes, federal insurance contributions to Social Security and Medicare, and workers' compensation.
  - **Paid Time Off** including holidays, sick days, vacation days, and personal days.
  - **Other Components of ERE** including health, dental, and vision insurance and retirement.

**Goal: Understand which benefits providers are offering and contributing to for their staff, and providers can offer.**



# Direct Care Staff Benefits - Discussion Questions

Benefit Category	Question	Workgroup Notes / Comments	
		Full-Time Staff	Part-Time Staff
HEALTH, VISION, & DENTAL INSURANCE	Do provider agencies contribute towards health insurance? Yes or No		
	How many staff do organizations that service or will serve brain injury populations employ? Specify.		
	Do staff typically receive single coverage, family coverage, or both? (Single, Family, or Both)		
	Do provider agencies contribute towards dental insurance? (Yes or No)		
	Do provider agencies contribute towards vision insurance? (Yes or No)		
	Do provider agencies contribute towards any other insurance? If yes, specific.		

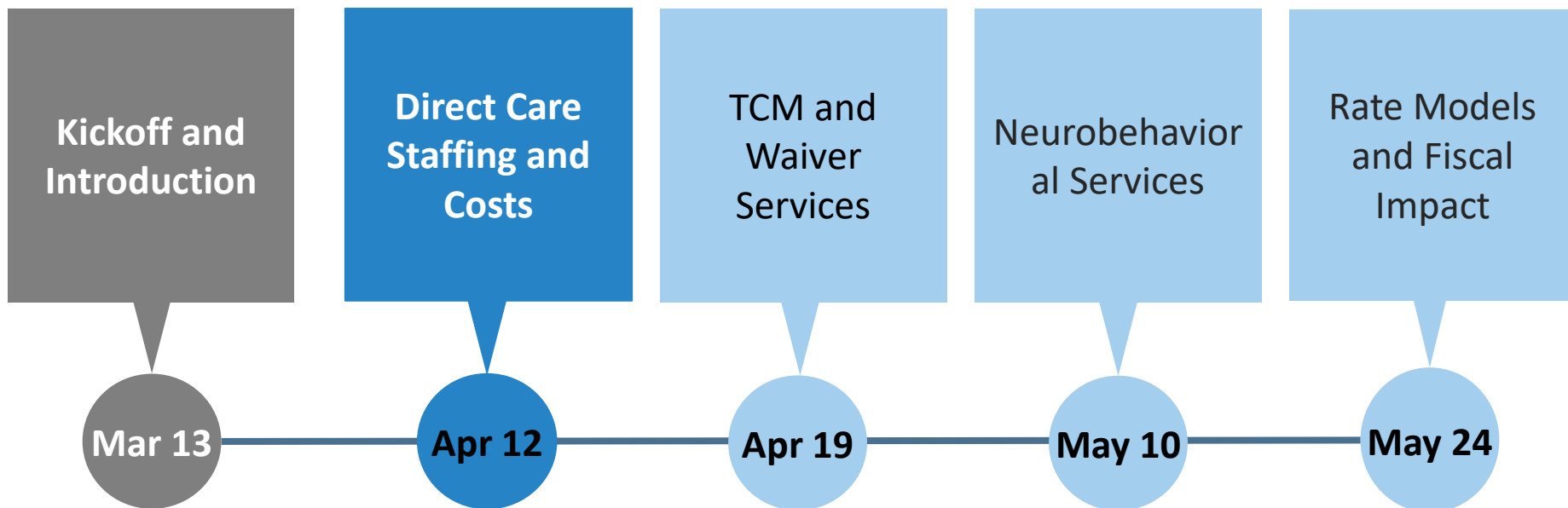
# Direct Care Staff Benefits - Discussion Questions

Benefit Category	Question	Workgroup Notes / Comments	
		Full-Time Staff	Part-Time Staff
OTHER BENEFITS	Do provider agencies contribute towards any other benefits? If yes, specify.		
RETIREMENT	Do provider agencies contribute to a 401k, 403b or other retirement plan for your staff? (Yes or No)		
WORKERS' COMPENSATION	What is a provider agency's average workers' compensation cost for staff (per \$100 in wages paid)? E.g., \$2.97		
HOLIDAYS, VACATION, SICK TIME, AND PERSONAL DAYS	How many paid holidays are staff eligible to receive per year?		
	How many paid time off (vacation) days are staff eligible to receive per year?		
	How many sick days are staff eligible to receive per year?		
	How many personal days are staff eligible to receive per year?		

# Workplan and Timeline

# Rates and Finance Workgroup Meeting Plan

The Rates and Finance Workgroup will meet in March and April 2023 to discuss topics related to rate methodology and modeling requirements and results.



**Participation in the Workgroup is an opportunity to provide critical feedback that will help inform the development of rate setting methodologies and service rates.**

# Contacts

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# Appendix

# 2022 Legislative Requirements for DMAS

DMAS, “with relevant stakeholders, shall convene a workgroup to develop a plan for a neurobehavioral science unit and a waiver program for individuals with brain injury and neuro-cognitive disorders. ... The workgroup shall make recommendations in the plan related to relevant service definitions, administrative structure, eligibility criteria, **reimbursement rates, evaluation, and estimated annual costs to reimburse** for neurobehavioral institutional care and administration of the waiver program. The department shall include a **rate methodology** that supports institutional costs and waiver services.”

[Virginia 2022 Appropriation Act, Item 308 CC.1; 2023 Budget Amendment, Item 308 #1s \(proposed\)](#)

DMAS shall establish and implement effective July 2, 2023, a new State Medicaid Plan service, targeted case management (TCM) for “individuals with severe Traumatic Brain Injury”

[Va. Code § 32.1-325\(A\)\(31\)\(2022\)](#)

# Reference States and 1915(c) Waiver Programs

State	Base Waiver	1915(c) Brain Injury Waiver Title
CO	CO.0288	Persons with Brain Injury (HCBS-BI)
CT	CT.0302	CT ABI Waiver
CT	CT.1085	CT ABI Waiver II
FL	FL.0962	Florida Long-Term Care
IA	IA.0299	Home and Community Based Services - Brain Injury (BI)
IL	IL.0329	Persons with Brain Injury
IN	IN.4197	Traumatic Brain Injury Waiver
KS	KS.4164	Kansas HCBS Brain Injury Waiver
KY	KY.0333	Acquired Brain Injury Waiver
KY	KY.0477	Acquired Brain Injury, Long Term Care
MA	MA.0359	Traumatic Brain Injury Waiver
MA	MA.40701	Acquired Brain Injury with Residential Habilitation (ABI-RH) Waiver
MA	MA.40702	Acquired Brain Injury Non-Residential Habilitation (ABI-N) Waiver
MD	MD.40198	Brain Injury Renewal Waiver
ME	ME.1082	Home and Community Based Services for Members with Brain Injury
MN	MN.4169	Brain Injury (BI) Waiver
MO	MO.1406	Brain Injury Waiver
MS	MS.0366	Traumatic Brain Injury/Spinal Cord Injury Waiver
NC	NC.1326	TBI Waiver
NE	NE.40199	Traumatic Brain Injury
NH	NH.4177	NH Acquired Brain Disorder Waiver 2021-2026
NY	NY.0269	TBI Waiver
NY	NY.4125	Children's Waiver
UT	UT.0292	Acquired Brain Injury
UT	UT.1886	Limited Supports Waiver
WV	WV.0876	Traumatic Brain Injury (TBI) Waiver
WY	WY.1060	Supports Waiver
WY	WY.1061	Comprehensive Waiver



# Reference State Plans & Virginia 1915(c) Waivers

State	Base Waiver	Virginia 1915(c) Waiver Title
VA	VA.0321	Commonwealth Coordinated Care Plus (Aged & Disabled)
VA	VA.0358	Family and Individual Support Waiver (Intellectual Disability or Developmental Disability, or Both)
VA	VA.0372	Community Living Waiver (Intellectual Disability or Developmental Disability, or Both)
VA	VA.0430	Building Independence Waiver (Intellectual Disability or Developmental Disability, or Both)

State	Population	Link
WY	TCM – ABI	<a href="https://health.wyo.gov/wp-content/uploads/2022/01/January-2022-DD-CMSC-Wait-List-and-Targeted-Case-Management-1.pdf">WY-14-001.pdf (medicaid.gov); https://health.wyo.gov/wp-content/uploads/2022/01/January-2022-DD-CMSC-Wait-List-and-Targeted-Case-Management-1.pdf</a>
KS	TCM – ABI	<a href="https://portal.kmap-state-ks.us/Documents/Provider/Bulletins/757a%20-%20TCM%20TBI.pdf">KANSAS (kmap-state-ks.us); https://portal.kmap-state-ks.us/Documents/Provider/Bulletins/757a%20-%20TCM%20TBI.pdf</a>
ME	TCM – Children BI	<a href="https://www.maine.gov/sos/cec/rules/10/ch101.htm">c2s013.docx (live.com); https://www.maine.gov/sos/cec/rules/10/ch101.htm</a>