



UTAH DEPARTMENT OF  
**HEALTH**

**An Evaluation of the Division of Services for People  
With Disabilities'  
Home and Community Based Waiver Service Rates**

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# MISSION & VISION



The Utah Department of Health's mission is to protect the public's health through preventing avoidable illness, injury, disability, and premature death; assuring access to affordable, quality health care; and promoting healthy lifestyles.

Our vision is for Utah to be a place where *all* people can enjoy the best health possible, where *all* can live and thrive in healthy and safe communities.



# STRATEGIC PRIORITIES



**Healthiest People** – The people of Utah will be among the healthiest in the country.

**Optimize Medicaid** – Utah Medicaid will be a respected innovator in employing health care delivery and payment reforms that improve the health of Medicaid members and keep expenditure growth at a sustainable level.

**A Great Organization** – The UDOH will be recognized as a leader in government and public health for its excellent performance. The organization will continue to grow its ability to attract, retain, and value the best professionals and public servants.

# DSPD RATE EVALUATION



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As the Single State Agency for Medicaid, the UDOH is responsible for oversight of Medicaid home and community based services (HCBS) waivers.

In this capacity, UDOH works collaboratively with the DHS, Division of Services for People with Disabilities (DSPD) that operates multiple HCBS waivers.

In its oversight role, UDOH conducted an evaluation of DSPD rates. Monitoring Medicaid rates & services aligns with the UDOH strategic priority to “Optimize Medicaid.”



- 2015 – As a condition of Community Supports Waiver (CSW) approval, CMS required Utah Medicaid to evaluate CSW service rates
  - Purpose - to provide CMS with up-to-date information on rates, rather than historic information derived from rates developed many years ago, and that simply include cost of living adjustments over time
- Legislative motion from 2017 Budget Deep-Dive into Disability Services Provider Rates
  - UDOH was asked to present the results of the CSW rate evaluation required by CMS to the Social Services Appropriations Subcommittee

# Elements of Rate Evaluation



## To evaluate CSW rates, UDOH:

- Engaged a CPA firm to design and implement a cost report for a limited number of service types (highly used/with more complex rate structure)
- Conducted interstate comparison of CSW rates with similar services in other states
- Conducted intrastate comparison of CSW rates with similar Utah Medicaid services (e.g. Personal Care services)
- Used fiscal year 2017 as the evaluation period

# Cost Report Design & Implementation



In collaboration with DHS, UDOH and the contracted CPA firm designed and implemented a comprehensive cost report for the following services:

- Residential Habilitation
- Host and Professional Parent Homes
- Supported Living
- Day Supports
- Transportation



# Cost Report Design & Implementation

## Cost Report Design and Implementation Tasks

## Timeline

UDOH finalized initial scope of work with CPA firm	January – March 2017
UDOH worked with CPA firm, DHS and DSPD providers to design/test cost report	April – November 2017
UDOH disseminated cost report to providers <ul style="list-style-type: none"><li>• 97 providers were surveyed</li></ul>	December, 2017
Providers completed and submitted cost reports	January 31, 2018
UDOH is working with CPA firm to finalize its analysis of cost report data	May – October, 2018

# Cost Report Data



Cost report data was used to compare allowable costs against program revenues and provide a mechanism to separate program costs into standardized components. Based on defined cost centers, UDOH separated costs into the following categories:

- Direct Care Wages and Benefits
- Supervisory Wages and Benefits
- Administrative Costs
- Member-Related Costs (e.g. Supplies, Activities, etc.)
- Transportation (e.g. Vehicles, Mileage, etc.)
- Facility Costs (e.g. Business Leases, Depreciation, Utilities, etc.)

# Cost Report Data Summary (FY2017)



<b>COST CENTER</b>	<b>Residential</b>	<b>Host Homes/ Professional Parent Homes</b>	<b>Supported Living</b>	<b>Day Supports</b>	<b>Transportation</b>
<b>Direct Care Wages &amp; Benefits</b>	73.7%	82.6%	69.3%	59.9%	39.4%
<b>Supervisory Wages &amp; Benefits</b>	9.0%	5.3%	10.4%	10.4%	3.5%
<b>Administrative Costs</b>	7.0%	5.5%	6.5%	8.4%	3.5%
<b>Member Related Costs</b>	4.3%	3.6%	5.7%	7.3%	3.5%
<b>Transportation Costs</b>	1.4%	1.3%	4.7%	2.5%	47.4%
<b>Facility Costs</b>	4.7%	1.8%	3.5%	11.6%	2.7%

# Cost Report Conclusions



## Cost report data shows:

- The primary cost to provide these services is direct care wages and benefits
- Administrative costs for these services range between 3.5 and 8.4 percent
- When compared to CSW rates paid in fiscal year 2017, with exception of Transportation services, established rates covered the cost to provide these services
  - Transportation service costs exceeded revenues by 17.6 percent
    - During the 2018 General Session – DHS received appropriations to increase Transportation service rates for fiscal year 2019 by 24.56 percent



## UDOH compared CSW service rates to similar Medicaid services in other states

- Reviewed data from 15 HCBS waivers from seven states
  - Those in Utah's CMS Region (Region VIII - Colorado, Montana, North Dakota, South Dakota, and Wyoming)
  - Other states that border Utah (Idaho and Nevada)
- Compared CMS approved waiver rates for fiscal year 2017
  - Focused on HCBS waivers that serve individuals with intellectual disabilities or brain injuries
  - Waiver Implementation Plan data is presented as "average cost/unit"
- Focused on services that most closely approximate CSW services

# Interstate Comparison Examples



Service	CSW Rate FY 2017	Interstate Rate Examples
Personal Care Services (per hour)	\$12.88	\$19.80 (CO) \$19.57 (MT) \$15.92 (WY)
Behavioral Consultation (per hour) (Board Certified Behavior Analyst (BCBA) Level)	\$69.52	\$97.28 (CO) \$56.99 (MT) no BCBA req. \$91.32 (NV)
Respite (per hour)	\$11.80	\$16.84 (MT) \$14.44 (WY)
Support Coordination (per month)	\$213.85	\$69.52 per hour (MT) \$67.36 per hour (SD) \$277.73 (WY)

# Interstate Comparison Conclusions



- While interstate comparisons provide some data for consideration, possible variables exist, such as -
  - Differences in provider qualifications
  - Differences in service definition and scope of work
  - Differing units or service (hourly versus monthly)
- CSW Personal Care and Respite service rates are lower than rates paid for similar services in surrounding states
- With exception of Personal Care and Respite, CSW rates were generally within the range of similar services in other states



UDOH compared fiscal year 2017 CSW service rates to similar Utah Medicaid services

- Reviewed similar services in Utah's HCBS waivers:
  - Aging (AW)
  - Medically Complex Children's Waiver (MCCW)
  - New Choices Waiver (NCW)
  - Technology Dependent Waiver (TDW)
- Reviewed similar Medicaid State Plan service rates (SP)
- Focused on services that most closely approximate CSW services

# Intrastate Comparison Examples



<b>Service</b>	<b>CSW Rate FY 2017</b>	<b>Intrastate Rate Examples</b>
Personal Care Services (per hour)	\$12.88	\$12.44 (AW) \$16.16 (NCW) \$16.78 (SP)
Behavioral Consultation (per hour) (Board Certified Behavior Analyst Level)	\$69.52	\$80.00 (SP)
Respite (per hour)	\$11.80	\$20.45 (AW) \$19.08 (MCCW)

# Interstate Comparison Conclusions



- CSW Behavioral Support and Respite service rates are lower than rates paid for similar services paid in other Utah Medicaid programs
- Differences in rates among Medicaid programs can result from:
  - Prevailing rates at the time a program begins
  - Differences in appropriations across Medicaid programs over time
  - Potential differences in scope and service delivery method



# General Conclusions

- Some CSW rates: Respite, Personal Care, and Behavioral Supports are generally lower than rates paid in other states or in other Utah Medicaid programs
- In fiscal year 2017, the cost of providing CSW Transportation services exceeded revenues by 17.6 percent
- Administrative costs appear to be within reasonable limits
- When compared to CSW rates paid in fiscal year 2017, with exception of Transportation services, established rates covered the cost to provide these services
- CSW rates are generally within the range of similar rates paid in other states and in other Medicaid programs