

FORVIS™

Rate Rationalization Rebasing

FMA

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Meet the Presenters



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Agenda

Rate Rationalization Rebasing

- Introduction
- Rate Rationalization
- Acuity Reimbursed Direct Care Hours
- Status of Rate Reform
- How Rate Reform Might Impact Your Program
- Questions

Rate Rationalization Basics

- Base Year Issues
 - Previously two-year rate cycle
 - Last base years Calendar 2017 and Fiscal June 30, 2018
 - Current approved waiver Amendment to change rebasing cycle
 - will update cost data within four years from the previous rebase*
 - Draft waiver Amendment submitted to CMS
 - Cost based rates will be rebased within a five-year period as opposed to the current four-year timeframe.*
 - Items outside of RR rebasing cycle – continuously rebased
 - To/from transportation – Also deferred to 7/1/24 in draft Waiver Amendment
 - Vacancy adjustment for Supervised IRAs and ICFs
 - Property

Timing of Possible Base Year

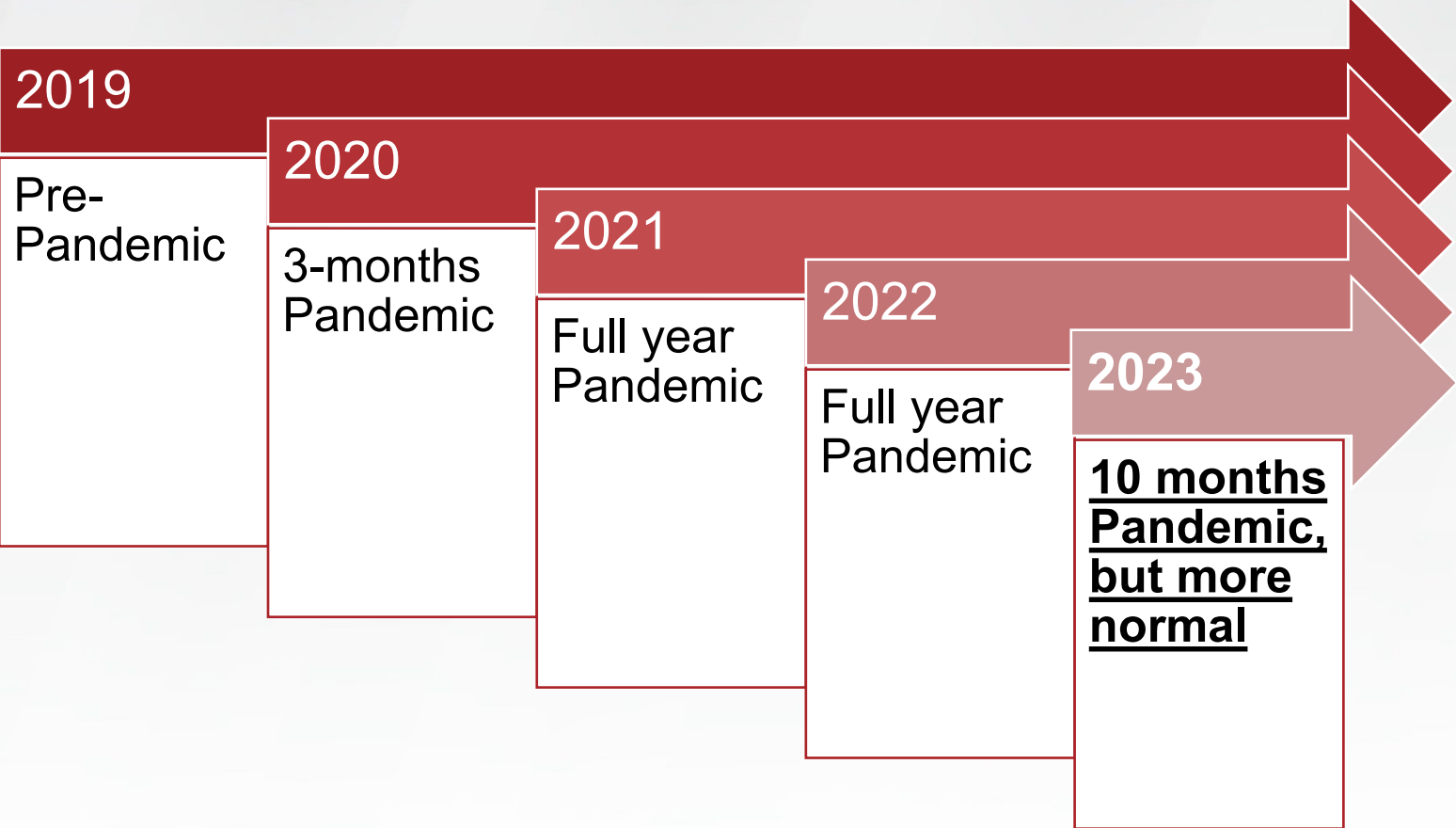
Start of Public
Emergency:

March 2020

End of Public
Emergency:

May 2023

Fiscal Year Providers

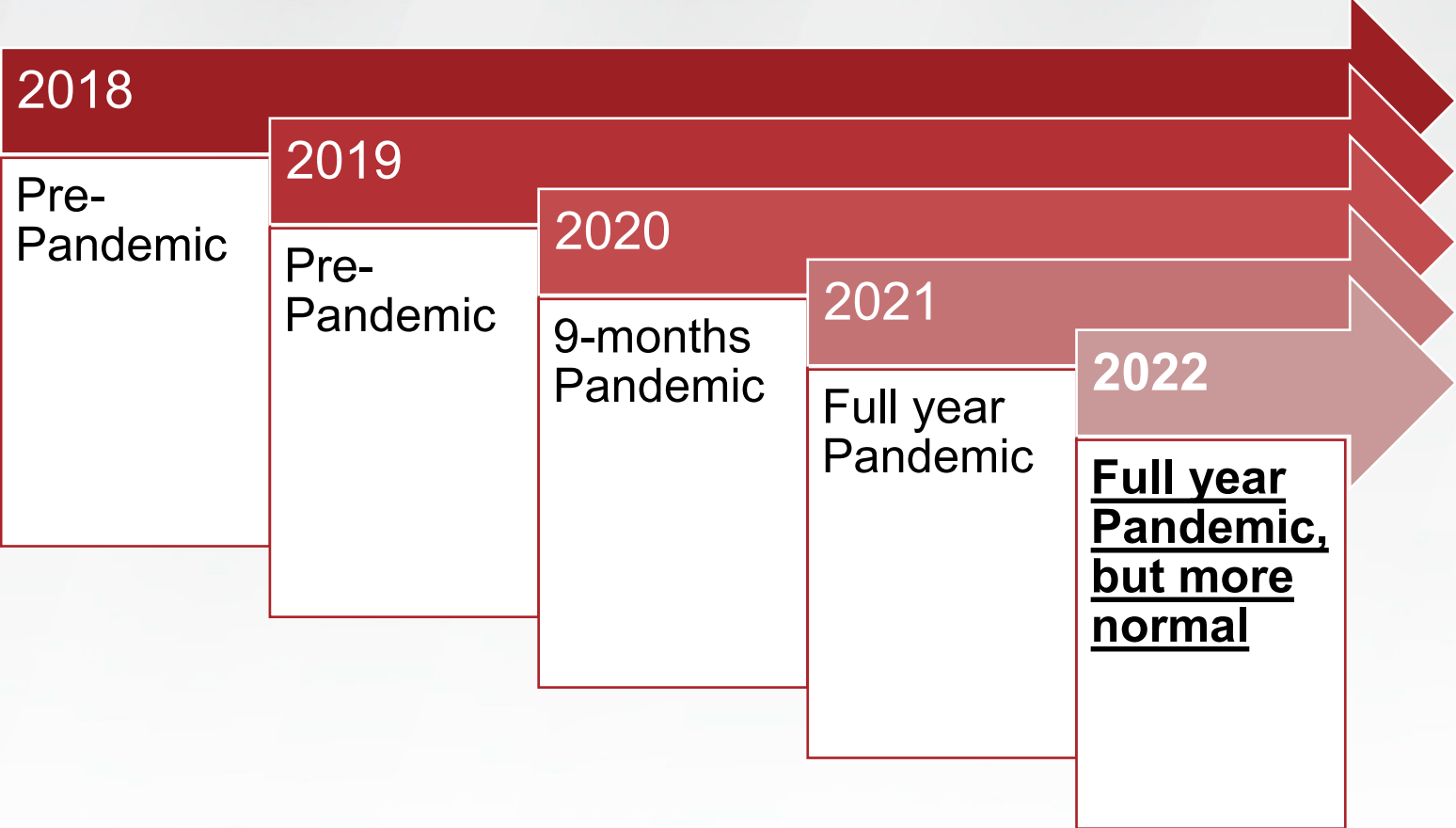


Timing of Possible Base Year

Start of Public
Emergency:
March 2020

End of Public
Emergency:
May 2023

Calendar Year Providers



Base Year Issues

FY 19 - Data old

CY 18 - Data old

FY 20 - Program closure, PPP

CY 19 - Data old

FY 21 - Program closure, PPP

CY 20 – Program Closure, PPP

FY 22 - WSI 1, PPP

CY 21 - Program Closure, PPP, WSI 1

FY 23 - Timing, WSI 1, WSI 2, HWB

CY 22 - WSI 1, HWB

FORV/S Which is the “Better Year” for providers?

Consumer Price Index & OPWDD COLA Comparison

Year	CY 2019	CY 2020	CY 2021	CY 2022	Four-Year Compounded
Annual Average CPI*	1.64	1.70	3.32	6.09	13.30

Year	CY 2019	CY 2020	CY 2021	CY 2022	Four-Year Compounded
OPWDD COLA			0.75	4.30	5.08

Year	FY 2020	FY 2021	FY 2022	FY 2023^	Four-Year Compounded
Annual Average CPI*	1.76	2.07	5.03	6.01	15.64

Year	FY 2020	FY 2021	FY 2022	FY 2023^	Four-Year Compounded
OPWDD COLA		0.25	2.10	4.05	6.50

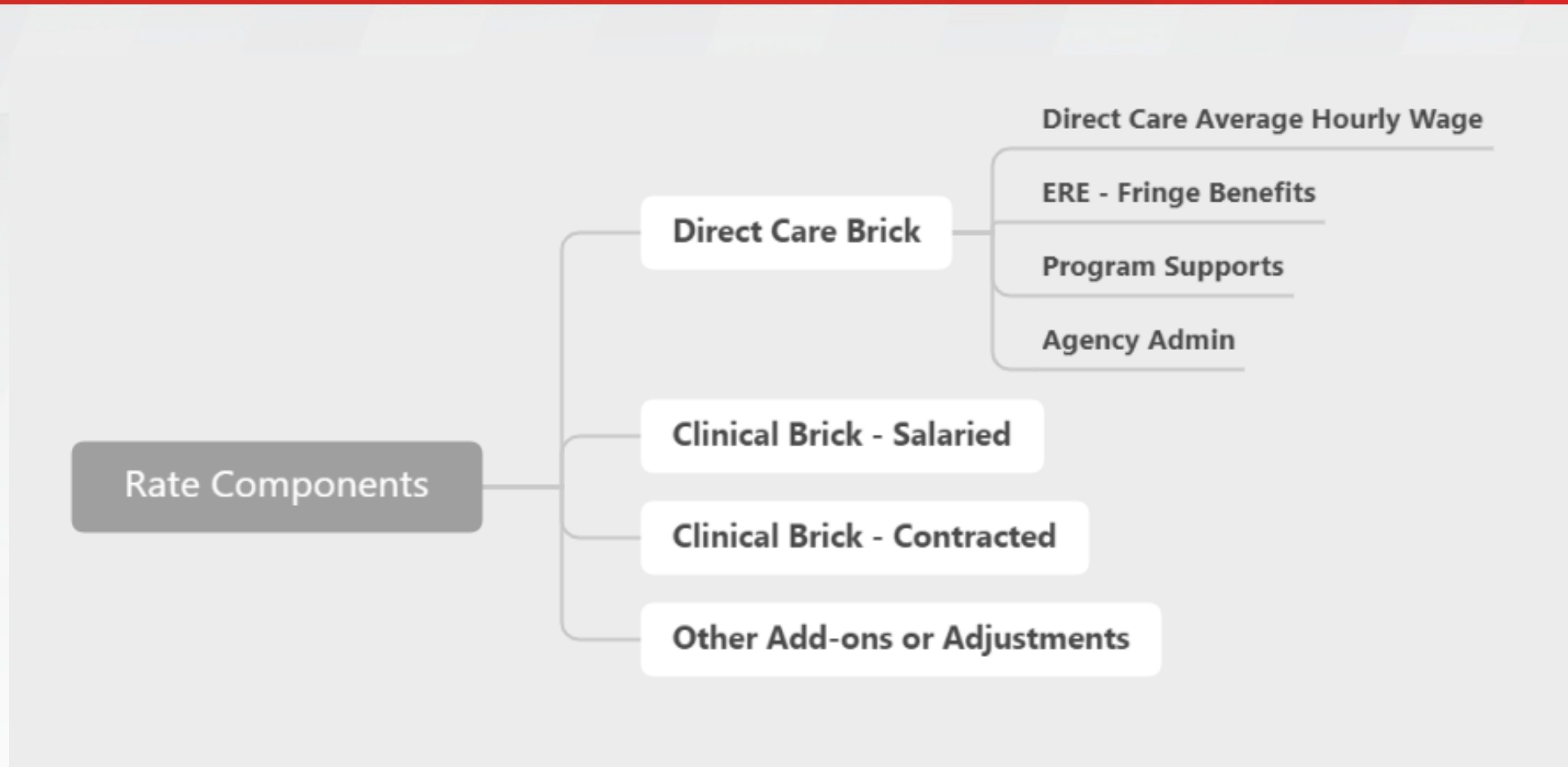
Rate Rationalization Basics

- Base Year Issues
 - Strategy for spending with no clear base years
 - Spend appropriately
 - Bird in the hand
 - Difficulties in attracting and retaining staff
 - Additional administrative staff positions
 - Impact of the WEF
 - Can you afford to spend more – Cash flow
 - Potential of moving to Regional Rates or Managed Care

Rate Rationalization Basics

- Basic Reimbursement Structure
 - Quantity reimbursed
 - Direct Care and Clinical hours
 - Price reimbursed
 - WEF adjusted Brick
 - What does WEF mean
 - What does Brick mean

Price Components of Rate Rationalization Rates



Components of Rate Rationalization Rates

75% Brick is Provider based

75% Clinical Salary cost per hour

0% Contracted cost per hour

100% Clinical Hours

100% Contracted Clinical Hours

100% Room & Board Costs

- Approved Property costs – PPA (Not what's reported on the CFR)
- IRA – SSI, SNAP and R&B supplement (Budget Neutrality – Currently 100% was 88%)

100% Day Hab Transportation

Program Capacity and Units of Service

Rate Rationalization

- Add-ons or adjustments
 - COLA
 - BF2DC
 - Minimum wage
 - ICF Facility Assessment
 - To/From transportation for Day Hab
 - Vacancy Adjustments – Supervised IRA and ICF
 - Budget Neutrality
 - Facility Costs & Property, ICF, Day Hab and Prevoc in RR rate
 - IRA – R&B paid by SSI, SNAP and R&B supplement

How Does CFR Reporting Affect Rate Rationalization?

PTC Utilized

- Direct vs. Support
 - Housekeeping Maintenance (PTC 102)
- Direct vs. Program Admin
- Clinical vs. Program Admin

Direct Care and Clinical Staff hours

- Average Salary for Direct Care and Clinical

Program Administration

- Property reported on line 68d

Fringes

- Specific utilization
- Percentage of Salary

How Does CFR Reporting Affect Rate Rationalization?

Transportation for Day Hab

- Only the amount reported on line 68b
- Actual Cost Captured in program 0670 & 0880
 - Allocation - Reasonable & documented
- Costs of residential and Day Program vehicles & staff used to transport residents to/from day program should be charged to 0670
 - Allocate the time for the staff salaries, fringes and FTEs
 - Allocate portion of vehicle costs including lease/depreciation, gas insurance, repairs and maintenance
 - 100% provider funded from two years earlier

OTPS

Room & Board costs vs. Brick

- Board costs 100% provider
- Brick 75% provider

How Does CFR Reporting Affect Rate Rationalization?

Important Statistics

- Unit of service
- Program Capacity
- Staff FTEs
- Vacancy
 - Proposed changes in 2021

Cost Reimbursed programs - Audits

CFR Issues affecting reimbursement

- Cost Allocations
- Non-allowable costs
- Staff credentials
- Ensure that CFR definition matches job title, job function and job description of the employee being charged there

Reimbursed Direct Care Hours

ICF, Day Hab & Prevoc

- 100% Provider's Direct Care Hours

Supervised & Supported IRA

- Between 75% and 90% Providers
- Credibility Adjustment
- DDP Acuity calculation

Rate Rationalization – Direct Care Hour

Day Hab, Prevoc and ICF

	*DC HOURS (Adj for 07/01/2021)	PRE-VOCATIONAL	GROUP DAY HAB
A	2017 Billed Units (A)	0	4,037
B	Total 2017 Direct Care Agency CFR Hours (B)	0	26,659
C	07/01/2021 Rate Units (C)	0	4,200
D	Total 7/1/2021 DC Hours = (Total 2017 DC Hours (B) /2017 Billed Units (A))* 7/1/2021 Rate Units (C) = (D)	0	27,739
E	*DC HOURS (Adj for 07/01/2021)	0	27,739

Rate Rationalization – Direct Care Hours

IRAs

	*DC HOURS (Adj for 01/01/2022)	SUPERVISED IRA	SUPPORTIVE IRA
A	2017 Rate Cap (A)	139	29
B	State Wide Avg Hours for IRA's Only (B)	3,662	1,031
C	Acuity Factor (for IRAs only) (C)	1.0844	1.0841
D	Total 2017 DC Hours: (A)*(B)*(C) = (D)	551,996	32,414
E	1/1/2022 Rate Capacity (E)	136	29
F	Total 1/1/2022 DC Hours = (Total 2017 DC Hours (D) / 2017 Rate Cap (A)) * 1/1/2022 Rate Cap (E) = (F)	540,082	32,414
G	Budget Neutrality Factor for Hours (G)	1.0021	1.0534
H	*DC Hours (Adj for 1/1/2022) (F)*(G) = (H)	541,204	34,146
I	*DC Hours (Adj for 01/01/2022)	541,204	34,146

Acuity Based Reimbursement Now and Into the Future

- The Acuity Factor Black Hole

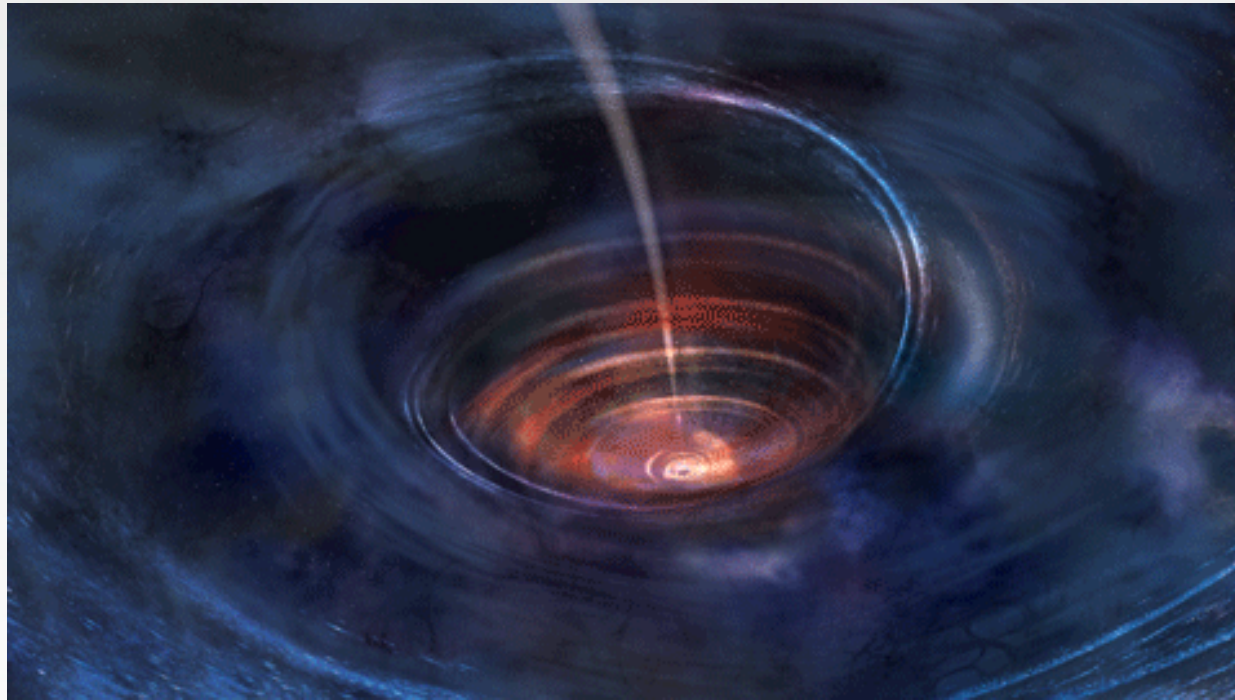


Image Credit: NASA/Swift/Aurore Simonnet, Sonoma State Univ

Rate Rationalization Supervised & Supported IRAs

- The Current Acuity Factor Methodology used
 - Has resulted in very large unexplained swings
 - Updated for latest DDP information
 - Lack of transparency
 - DDPs used
 - The calculation
 - Concern about how well the DDP-2 or CAS will predict actual needs of program participants

Rate Rationalization Supervised & Supported IRAs

- The Acuity Factor
 - Factors used
 - DDP scores – Behavior & Adaptive
 - Direct Care staffing from Base year CFRs
 - Credibility Adjustment – Include Provider's Direct Care hours
 - ✓ At least 75% of the Acuity Factor
 - ✓ 85% or 90% for large variances to DDP-2 calculated hours
 - Problem with Staff Vacancies in base years
 - Agencies with significant changes in Acuity scores
 - Compare to increase (decrease) in your direct care hours between base years

Proposed Rate Rationalization Rebasing

- Choosing one of four or possibly five years
- Using the current methodology
- Issue of contracted direct care staff
- Issue about staff vacancies in the base year
- Issue about transportation
- Issue about spending in pandemic affected years
 - Budget Neutrality or Corridors

Potential Impact of Rate Reform

Regional Rates

- Revised Regions – 5 vs 3
- Could there still be a WEF adjustment
- What would be included in Regional component Direct Care vs. Clinical cost
- Impact on providers spending above or below the regional levels

Acuity calculation

- Nine Levels of Acuity
 - Determined by CAS
- Determine Direct Care and Clinical reimbursement?
- Impact on all programs
 - Supervised and Supported IRA
 - ICF, Day Hab and Prevoc

Room and Board cost

Transportation

Rate Reform

- The future of the Acuity Factors Under Rate Reform
 - Rate Reform deferred until 2025 or 2026 or ?
 - Implementation of the CAS
 - How will it impact reimbursement
 - Group individuals into nine (9) levels of difficulty
 - Calculate hours or reimbursed dollars
 - ✓ Direct Care and/or clinical
 - Could the CAS also impact ICF, Day Hab & Prevoc?
 - Impact on your funding, spending and staffing levels
 - Problems and delays in scoring of the CAS
 - Problems of using any assessment tool in evaluating staffing needs
 - Will they continue to use a credibility adjustment

Questions?

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Thank you!

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