Milliman

Questions from the DDRS and DA Rate Review Webinars

May 31, 2023 and June 1, 2023

General Questions

What are the new rates? Which services are affected?

Updated rates have been posted on the project website under HCBS Rate Review Updates. Please click on the public notices for the Division of Aging (DA), the Division of Disability and Rehabilitative Services (DDRS), or Home Health.

When will the new rates be effective?

The new rates are targeted to be effective July 1, 2023, subject to CMS approval. Because CMS approval will likely be provided in the fall, the rate updates will be paid retroactively. More information on this is in the Billing section of this FAQ.

Have there been any rate changes since the rate review webinars?

There were some changes to the DDRS Residential Habilitation Services (RHS). The RHS daily rates needed to be adjusted to align with minimum staffing requirements under Rule 460 IAC 13-5-2. The RHS hourly rates were also affected to better align with the RHS daily staffing and supervision assumptions. The effect of these changes is estimated to be budget-neutral to the fiscal projections. Please review the DDRS public notice materials on the project website for the most up to date rates.

Can any of the rates be reevaluated or is the rate decision final?

The rates accompanying the presentation are final and are expected to be effective July 1, 2023. As stated in the presentation, the next full rate review is scheduled for 2027, but if there are any specific questions on the development of the rates, please submit these to the email inbox. Rates for physical therapy, occupational therapy, psychological therapy, and speech language therapy have different timing; they have not been updated as of July 1, 2023, but will be aligned with Medicaid effective January 1, 2024.

Will the case management change be the same across the board?

The case management rates will be aligned across all HCBS waivers: Aged and Disabled (A&D), Traumatic Brain Injury (TBI), Family Supports (FS), and Community Integration and Habilitation (CIH).

Will there be a percent of the rate required to go from providers to direct care workers?

At this point, FSSA is not mandating how much providers should pass on to direct service workers (DSWs). However, the rate build-ups illustrate recommendations on how much of the rate should be allocated to the total compensation package for DSWs and front-line supervisors (wages, overtime and bonuses, payroll taxes, health and retirement benefits, and transportation (gas/mileage) support). For most services, providers are encouraged to target 85% of the rate to these areas. Those that are not able to meet this target may have more difficulty recruiting and retaining DSWs.

Does the detailed worksheet include information on assumed productivity levels for each service?

The public notice only provides rates for the services, and does not detail the productivity levels.

Does this rate study include Adult Day Services on Medicaid Waiver?

Yes, this includes adult day services on the A&D, TBI, FS, and CIH waivers.

What is the timing for a review of the Psychological Therapy, Physical Therapy, Occupational Therapy, and Speech-Language Therapy rates?

These services, available on the DDRS waivers and through home health services, will not change as of July 1, 2023, but are scheduled to be reviewed this fall along with other physician services. The Medicaid physician fee schedule will be aligned with the 2023 Medicare physician fee schedule effective January 1, 2024.

Can you share the website with the matrix breakdowns?
The Rate Matrix is available online here.

Nursing homes have their rates reviewed yearly, ICF/IDD (group homes) have their rates reviewed every other year, why are waiver services being reviewed less frequently? Is it possible to align the rate review schedule?
FSSA has been working to improve alignment of the rate review process and timing across all Medicaid services. The Rate Matrix (linked here) is a major step forward, including the state's commitment to review the rates for all services at least every four years and to provide inflationary increases in interim years. Although we are very proud of this first step, there is more work needed to close the gap, and we appreciate your input and support in this continuing endeavor.

Are these increases for nonwaiver rates also? If so, should we begin paying providers at the new rate July 1st?
FSSA will be issuing separate guidance on the impact of rate changes to our various nonwaiver programs and next steps/implementation of any changes.

What else is needed from Governor/legislature for these rates to become effective? Can the Budget Committee change anything?
The rates have been approved by the Governor and legislature. The only remaining steps for these rates to become effective are presentation of the rates to the State budget committee and CMS review and approval. Services will be paid at the current rates until CMS has approved these proposed rates.

Could you please share documents that agency must send to CMS for approval?
The documents will be shared after CMS approval.

Can you share the process for CMS approval? Have CMS officials weighed in on these rates at all and is there any reason to believe they won't be approved?
We have been in communication with CMS throughout this process and they are aware of our timeline. We cannot be certain without receiving official approval of the rates, but CMS has responded favorably to our process so far. FSSA will be sending the waiver amendment applications to CMS with the proposed rates in early July.

Is ensuring service access a consideration built into the Independent Rate Model? Will CMS require this consideration? If the service is advertised and offered as an available HCBS service, are there considerations to make sure there are providers actually offering the service(s) in a given geographical area?
Yes, the updated rates were developed to support access with considerations for staffing ratios, group sizes, and supervision ratios. For certain services, the transportation components reflect the average assumed geographical distances needed to travel to provide appropriate care.

Billing Questions

When we start billing at the new rates on July 1, 2023. Is that date service date or the actual date to start billing?
Providers should start billing at the new rates for all claims with *service dates* on or after July 1, 2023.

Can the State confirm: if providers begin billing at the new rates on July 1, 2023, the claims will pay at existing rates (and not deny), correct? Will we need to rebill once CMS approves the new rates?
When providers bill at the new rates for services provided on or after July 1, 2023, the claims will *initially* pay at the current rate (and not deny) because Gainwell pays at the lower of what the provider has billed and the current effective rates. Once CMS approves the rates, the notice of action (NOAs) will be updated and Gainwell will mass adjust the claims to pay at the new rate. Providers who submitted claims billed at the new rates for dates of service on or after July 1, 2023 will not have to complete any additional steps for claims to be paid at the new rates; Gainwell will automatically reprocess claims after CMS approval at

the new rates. Providers who did not bill at the new rates for services provided on or after July 1st will have to resubmit claims because Gainwell cannot pay at more than the billed amount.

When should providers expect to see updated NOA's? Will the updated NOAs be auto generated after the approval of the new rates?
Updated NOAs will be released once CMS has approved the rates.

How will the rate update process work for Case Management Claims? Unless we manually enter the claims (400+ for us) we cannot change the rate billed.
To avoid having to change the rate billed, please bill at the new rates for services provided on or after July 1, 2023.

Will CaMSS claims that are auto-generated for Care Management go through at new or old rate?
The CaMSS team is currently working to update the rates on the NOA. The new NOAs will be released after we receive the CMS approval. Anything that is updated or issued prior to approval will still have the current rates. However, we ask providers to please **bill for all services provided on or after 7/1/2023 at the new rates**. Although these claims will initially be paid at the current (lower) rates, Gainwell will mass adjust these claims automatically after CMS approval, allowing providers to receive updated payments without having to resubmit claims.

Will FSSA release a Bulletin communicating when AL waiver providers should begin billing at the higher rate? Please consider a "listening session" and/or training session on the new rate implementation.
Yes, FSSA will release a Bulletin instructing all waiver providers to begin billing at the new rates for services provided on or after July 1, 2023. We will also issue a follow-up publication once we have CMS approval.

What happens if providers have back billing or adjustment billing for service dates prior to the effective date of the current rate changes, are there any special processes and procedures?
Claims prior to the effective date of July 1, 2023 that need to be billed or adjusted will be handled exactly as they are now. A provider will bill the current rate(s) for dates of service prior to July 1, 2023. Please reach out to the provider inbox with any further clarification (HCBS.Ratemethodology@fssa.IN.gov).

We just had a Medicaid audit and we were instructed that we are supposed to have a NOA that matches the amount we are billing. Will there be a NOA with the rates and will the audit team be made aware of the rates?
Updated NOAs will be sent out once we have the CMS approval, or approximately three to four months after the July 1, 2023 effective date. We expect the NOA will be updated in time for your next audit.

DA and Home Health Questions

So the new A&D waiver rate is projected to be $7.93 per unit, correct? Is the $7.93 per quarter hour the proposed Agency Attendant Care rate?
The new Agency Attendant Care rate is proposed to be $8.59 per quarter hour. The new Home and Community Assistance rate is $7.93. Please refer to the public notice document for individual rate updates.

Will the higher rates be retroactive for both PA and Waiver for HCBS?
Yes, all waiver rate updates will be retroactive to July 1, 2023, subject to CMS approval. Rates for some therapy services that were not updated for July 1, 2023 will be updated January 1, 2024.

Is Home Care Attendant the same as Home Health CNA?
No, the Home Care Attendant has non-medical responsibilities such as housekeeping, meal planning and preparation, and essential errands, while the Home Health Certified Nursing Assistant (CNA) also has medical training and responsibilities.

Do Home Health rates require CMS approval?
Home Health rate increases do not require CMS approval. The proposed increases have been approved by the Indiana Legislature as part of the Medicaid appropriation.

Will the current home health overhead rate for Medicaid Prior Authorization of $34.50 remain the same?
Yes, the $34.50 home health overhead rate will remain the same.

DDRS Questions

Is the title Case Manager changing to Care Manager? I believe the Case Management (BDDS Waivers) versus Care Management (DA Waivers) verbiage is backwards.
There is no plan to change the DDRS Case Manager designation to Care Manager. Care Manager is the title used by the Division of Aging, and was inadvertently mis-labeled in the DDRS presentation.

Since the cap is not changing for transitional case management and will remain at $2,500. Will the monthly rate of $131.25 remain the same?
Transitional Case Management will be paid at the new per month rate of $180.55, but continue to be limited to 1 unit/month for up to six months. We believe that when you refer to the $2,500.00 cap, you are referring to another service "Community Transition" that provides funds needed to purchase necessary items for an individual's transition from an institution to a home and community based setting. This cap will remain at $2,500.00.

Will there be any increase for Extended Services? Or any Vocational Rehab increase?
Vocational Rehabilitation Services (VRS) reimbursement rates are separate from Home & Community-Based Services (HCBS) waiver rates. Extended services are included in this rate review/adjustment.

Can you share the Music Therapy and Recreational Therapy rate increases?
Proposed rates for all services are available in the public notice documents on the project website.

In adding the UG and UF modifiers, for Community-based or Facility Based services respectively, will the increases for the UG services capture a higher degree of transportation costs?
The proposed July 1, 2023 rates are the same for Community-based and Facility-based day services. During the rate review, it was considered that transportation costs are higher for community-based services (UG), while costs to maintain the site (rent, utilities, etc.) are higher for facility-based services (UF), and that these cost differences are of a comparable magnitude.

Individual Budgets / Plans of Care Questions

Will individual budgets be increased uniformly to allow people to keep the services and supports they have chosen?
Objective-based allocation (OBA) allocations and the Family Supports waiver cap will be increased upon CMS approval. The proposed increases were developed to allow members to continue receiving the current level of services.

- **FSW**: 35% overall cap increase. The new cap will be $26,482.
- **CIHW**:
  - 30% increase to the Behavior Management component
  - 40% increase to the Days component
  - 40% increase to the Other/RHS component

The July 1, 2023 effective date for the new rates will fall in the middle of the budget year for most individuals. During the "transition year", increases will be prorated to reflect the percentage of the year during which the new rates will be effective.

Will the transportation caps be increased from $2,500/year due to the new rates?

Yes, the transportation caps will be increased effective July 1, 2023. The new limits will be $7,530 for Level 1, $8,255 for Level 2, and $8,980 for Level 3.

Why is there only roughly $7,000 increase for the FSW cap?

Our goal with the cap increase was to raise the cap enough to allow individuals to continue receiving their current level of services. To determine how much to increase the FSW cap, we reviewed the mix of services utilized by each individual FSW member last year. We calculated how much each individual would have spent at the new rates, with no change in services. Depending on the mix of services, individuals needed different cap increases to maintain their services. The cap was set to accommodate individuals who needed a higher cap increase. The increase of the FSW cap to $26,482 represents a 35% cap increase, relative to the aggregate rate increase of 23.2% for DDRS as a whole.

Will the OBA grid be revised with these new rates and used to adjust the budgets in all individual's plans of care? Secondly, when will the new plans of care be distributed?

The OBA allocation grid will be revised as described in the presentation: 30% increase to the Behavior Management component and 40% increases to the Days and Other/RHS components. Individual budgets will be revised by Roeing. For most individuals, the July 1, 2023 effective date will fall in the middle of their budget year. Roeing will adjust each individual's budget to reflect the percentage of the year during which new rates will be effective.

Individuals should not expect to make any changes to their service plan other than to document updated budget amounts, as increases to allocations were designed to accommodate each individual's current services. The new service authorizations\NOAs will be distributed shortly after CMS approval.

Will plans of care be auto adjusted or will Case Managers need to adjust budgets? If Case Managers are adjusting budgets when will they be trained?

Updated Service Authorizations\NOAs will be provided shortly after CMS approval.

How will authorizations/plans of care be adjusted if CMS approval is not retro to 7/1/23?

Authorizations and plans of care will be adjusted to reflect the actual effective date of the new rates.

Behavior Management Questions

For behavior management services, it appears that the direct support professional (DSP) equals the behavioral consultant (BC). Is this correct?

Yes, in the example provided for Behavior Management, the direct support professional (DSP) would be the behavioral consultant (BC) who is providing face-to-face services.

What is the rate methodology for basic and Level 1 rates?

We performed a separate rate build-up for the Level 1 behavior management services, which included a higher wage to account for the additional credentialling. The Level 1 rate from this build-up indicated a unit rate less than the basic rate, after accounting for differences in travel and other non-productive time. FSSA Leadership decided to maintain the rates at a consistent relationship and set the Level 1 behavior management service equal to the basic behavior management service, consistent with how the rates are currently aligned. The figures below illustrate the rate build-ups for the basic and level 1 behavior management services. Please note that the Level 1 service does not have any direct time or travel time, as this is a supervisory role only. As such, the hourly wage is also significantly higher than for the Level 1 behavior manager.

July 1, 2023 Proposed Behavior Management BASIC Rate

Component	Rate (per 15 minutes)	Notes
Direct Service Employee Salaries & Wages	$ 8.53	2 hours of direct time per 2 hour visit; $31.60 per hour wage
Indirect Service Employee Salaries & Wages	$ 0.85	12 minutes of indirect time per 2 hour visit; 20 employees per supervisor
Transportation Service Employee Salaries & Wages	$ 1.78	25 minutes of travel time per 2 hour visit

Employee Related Expenses	$ 2.71	24.2% of total wages expense
Transportation & Fleet Vehicle Expenses	$ 0.77	12.5 miles driven per 2 hour visit; 30 MPH speed; $0.49 reimbursement rate per mile
Administration, Program Support & Overhead	$ 3.93	15.0% of total rate; $1.15 on-call expense
Total Rate	**$ 18.56**	

July 1, 2023 Proposed Behavior Management LEVEL 1 Rate

Component	Rate (per 15 minutes)	Notes
Direct Service Employee Salaries & Wages	$ 0.00	0 minutes of direct time per 1 hour visit
Indirect Service Employee Salaries & Wages	$ 11.14	1 hour of indirect time per 1 hour visit; $43.35 per hour wage
Transportation Service Employee Salaries & Wages	$ 0.00	0 minutes of travel time per 1 hour visit
Employee Related Expenses	$ 2.31	26.0% of total wages expense
Transportation & Fleet Vehicle Expenses	$ 0.00	
Administration, Program Support & Overhead	$ 3.73	15.0% of total rate; $1.15 on-call expense
Total Rate	**$ 17.18**	
Proposed Rate	**$ 18.56**	

In the OBA, there is a 30% Increase on CIH for Behavior Management, but only 2% increase to providers. Please clarify how those assumptions align.

The OBA for Behavior Management is no longer reserved solely for behavior management services. As a result, members with light behavioral support needs have begun using this funding for other services. The allocation was increased by 30% in order to allow these members to continue receiving the current level of services.

Behavior management services are provided by master level individuals and other therapy services are being provided by individuals that have 4 year degrees. Do these rates reflect cost of living increases and the costs to achieve an advanced degree?

The wage assumptions underlying the rate development reflect the credentialling levels of the practitioners for each service. These wages were determined based on comparable BLS wages and wages reported in the provider surveys, the wages were also trended out to the rate effective period to account for changes in the cost of living.

Limitations

This document is subject to the terms and conditions of the Contract Agreement between the Milliman and FSSA approved on January 4, 2022.

This document will be shared with waiver providers for the Indiana Division of Aging (DA) waiver providers and Division of Disability and Rehabilitative Services (DDRS) waiver providers. Responses to questions are intended support communication related to the development of the Indiana Division of Aging waiver service rates. This document should not be provided to any other party without Milliman's prior written consent. In the event such consent is provided, the document must be provided in its entirety.

Milliman makes no representations or warranties regarding the contents of this correspondence to third parties. Likewise, third parties are instructed that they are to place no reliance upon this correspondence prepared for FSSA by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties.

In performing this work, we relied on data and information provided by FSSA and DA and DDRS waiver service providers and representatives. We have not audited or verified this data and information. If the underlying data or information is inaccurate or incomplete, the results of our assessment may likewise be inaccurate or incomplete.

Milliman has developed certain models to estimate the values included in this analysis. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP).

The models rely on data and information as input to the models. We have relied upon certain data and information provided by FSSA and its vendors for this purpose and accepted it without audit. To the extent that the data and information provided is not accurate, or is not complete, the values provided in this report may likewise be inaccurate or incomplete.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. Christine Mytelka and Jason Howard are members of the American Academy of Actuaries, and meet the qualification standards for performing the analyses in this correspondence.