

Office of Long-Term Living (OLTL) Home and Community-Based Services (HCBS) Rate and Wage Study Updates

Long-Term Services and Supports (LTSS)
Subcommittee Meeting

Commonwealth of Pennsylvania

July 2, 2024

Presented by:

- Amy Korzenowski, Licensed Health Service Executive (LHSE), Principal
- Spencer Svendsen, Lead Consultant



OLTL HCBS Rate Study Goals

OLTL is partnering with Mercer Government Human Services Consulting (Mercer), part of Mercer Health & Benefits LLC, to perform an HCBS rate study on select service categories with the following goals:

1. **Ensure existing fee schedule rates are adequate** and appropriate by building market-based provider rates as a benchmark
2. In cases where there are gaps in existing fee schedule adequacy, **estimate fiscal impact of associated rate range recommendations**
3. **Engage key stakeholders** in the process to ensure that results and assumptions are reasonable

Mercer will evaluate the following services categories in this rate study:

1. **Adult Day**
2. **Residential Habilitation**
3. **Structured Day Habilitation**
4. **Employment and Training Services**
5. **Personal Assistance**

Survey Background

Each of these topics will be used to inform assumptions as part of the rate adequacy review.

The intent of the survey is to collect information regarding staffing costs, provider operations, and the state of your workforce for OLTL HCBS

Specifically, the survey focuses on:

- Services provided
- Wages paid for each staff position
- Benefits costs
- Other Medicaid-related costs in your operation
- Workforce status

Survey Introduction

- Note that this survey is **one** component of the HCBS Rates Adequacy Review.
 - Using information collected in this survey, along with the HCBS OLTL claims data and other data obtained from OLTL, to evaluate the current fee schedule rates.



- This survey is not a cost report; therefore, we are not requesting every cost incurred by your organization at a detailed level.
 - If you would like to provide additional information beyond the specific items requested, there will be a space to add content.

Proposed *Draft* Survey Components

1. Provider Demographics
2. Service Categories — one survey per service type requested
3. Personal Assistance Service (PAS) – Participant Directed
4. Staff Wages
 - A. Average base and overall wage per hour paid to Direct Care Workers (DCWs)
 - B. Average base and overall wage per hour paid to Front-Line Supervisors (FLSs)
5. House Bill 1300
 - A. Starting DCW wages per hour from January 1, 2019 – January 1, 2023



Proposed *Draft* Survey Components

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6. Staff Benefits

- A. Types offered for full-time and part-time employees (e.g., health insurance, retirement, short term disability, etc.) and cost per Full-Time Equivalent (FTE)
- B. Paid time off (e.g., vacation, holiday, sick, etc.)
- C. Average annual onboarding and ongoing training days per employee
- D. Worker's compensation claim count and average cost per claim

7. Staffing

- A. Average number of DCW FTEs
- B. Average number of FLS FTEs
- C. Average proportion of all direct agency individuals considered full-time
- D. Ratio of FLS FTE to DCW FTE
- E. Ratio of DCW FTE to participant
- F. Additional direct staff
- G. Percentage of staff turnover



Proposed *Draft* Survey Components

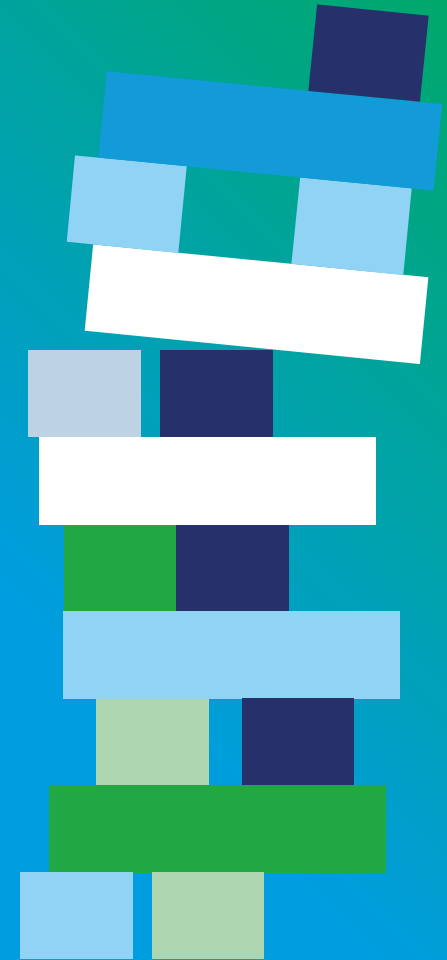
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8. Service Delivery

- A. Group size
- B. Average proportion of a DCW's working day spent on billable activities
- C. Non billable activities with corresponding percentages
- D. Average vacancy or participant 'no-show' percentage

9. Additional Costs

- A. Average cost per DCW for all trainings and certifications
- B. Annual agency cost for transportation (excluding wages paid during transportation)
- C. Percentage of indirect costs to total expenses (administrator salary/benefits, insurance, rent, office supplies, employee health screening, electronic visit verification [EVV], transportation, etc.)
- D. Percentage of direct care supply costs to total expenses (e.g., personal protective equipment [PPE], basic equipment, etc.)
- E. EVV system

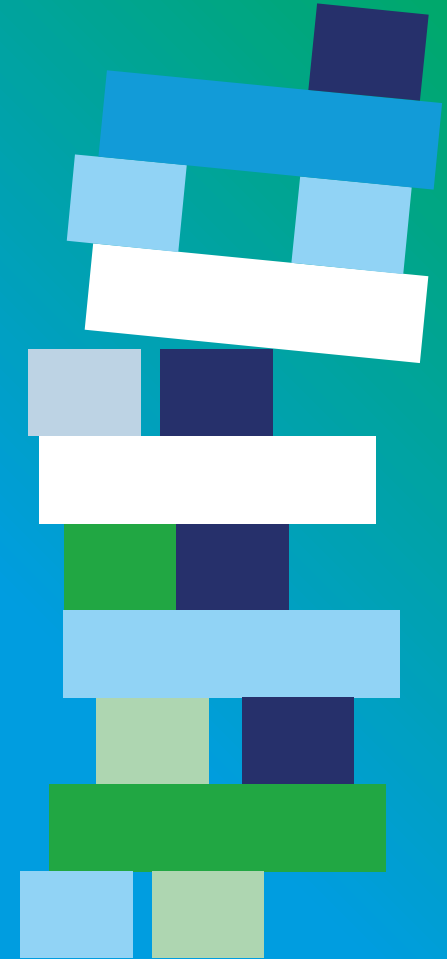


Proposed *Draft* Survey Components

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10. Additional Questions

- A. Provide any additional information you would like OLTL to know as they are conducting this HCBS rate study
- B. What industries or types of companies are you hearing prospective or former employees choosing to work for outside of HCBS?
- C. Aside from increasing hourly rates of pay, are there other incentives you have tried and/or would encourage to recruit/retain workforce?

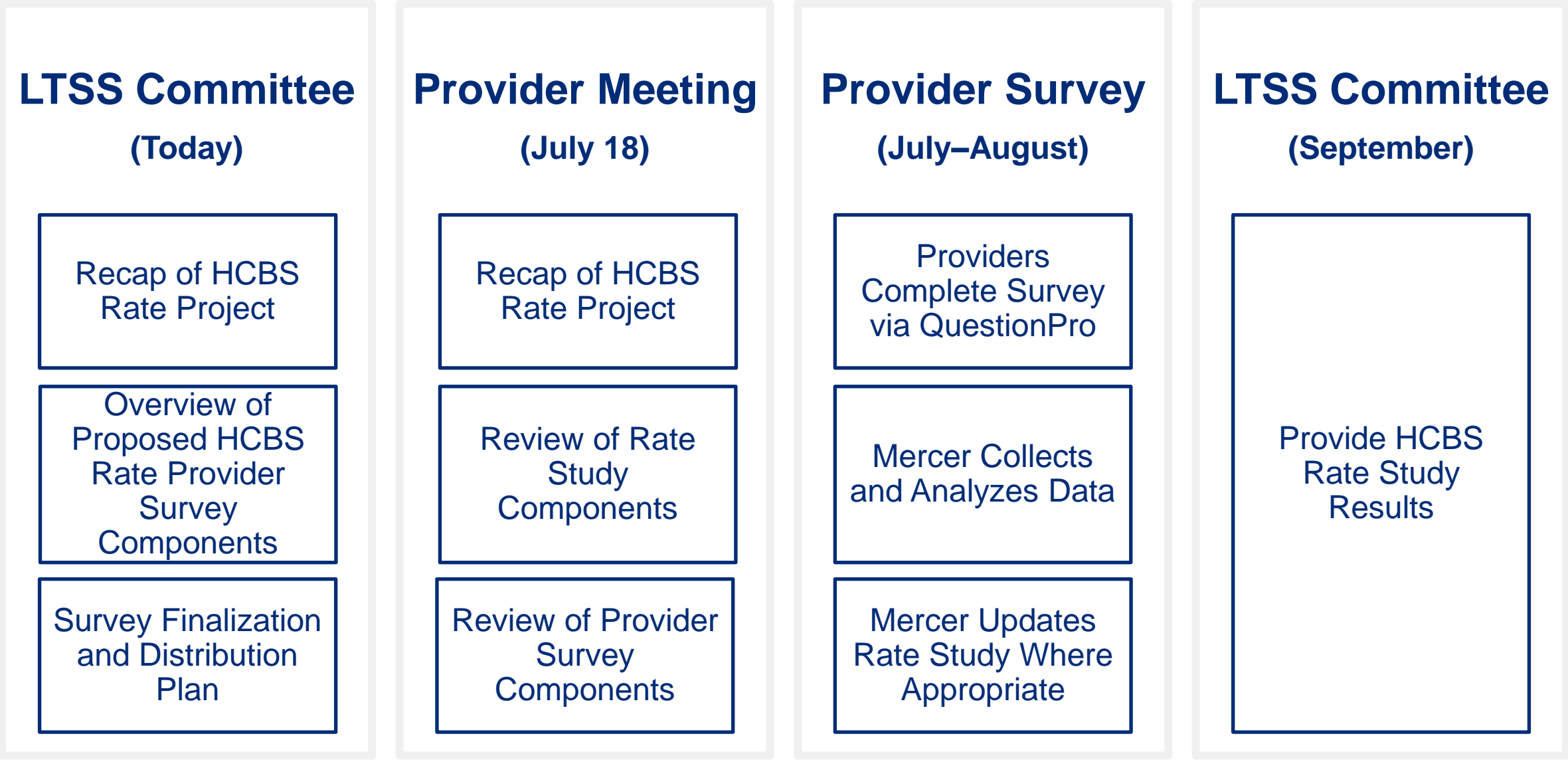


Survey Finalization and Tentative Distribution Plan

- Incorporate feedback
- Finalize the survey questions for OLTL review and approval
- Distribute survey via QuestionPro to distribution lists by July 25, 2024
- Providers will have until August 23, 2024, to complete
- Any questions — OLTLHCBSRateStudy@mercer.com— rate study or provider survey related
- RA-PWCHC@pa.gov — registration and meeting logistics



2024 Timeline for Stakeholder Engagement



Questions and Discussion

