



**MYERS AND
STAUFFER** LC
CERTIFIED PUBLIC ACCOUNTANTS

STATE OF KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES

Review of Rate Structures for the Home and Community
Based Services Waiver for Individuals with Intellectual and
Developmental Disabilities

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DEDICATED TO GOVERNMENT HEALTH PROGRAMS



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Executive Summary

Myers and Stauffer has been engaged by the Department for Aging and Disability Services (KDADS) to study the rates for services provided to individuals with intellectual and developmental disabilities and to make recommendations for potential changes to the rate methodology.

KDADS intends that this study and analysis fulfill the requirements contained in the Developmental Disabilities (DD) Reform Act of 1995. These provisions contained in K.S.A. 39-1801 through 39-1810 require an independent, professional review of the rate structures on a biennial basis, which results in recommendation to the legislature regarding proposed rate adjustments.

Issues Concerning the Current Rate Structure

- *The current rate structure is a pricing system based on a 1991 study, which evaluated ten providers and 245 unduplicated consumers.*
- *Prices (rates) were developed using a hypothetical model of assumed needs for each tier level. The main determinants of the input prices were the wage rates for a DD trainee with three years experience, the wage rate for a DD specialist and an estimate of the average hours of direct service per tier level.*
- *The differential among the various tier levels has not been re-evaluated since the rate structure was originally put in place.*

The 2015 Rate Study

This current rate study is intended to collect data that will be utilized to build rates that in some aspects will mimic the price based system from the 1991 study.

Using basically the same data tool as used in the previous studies, Myers and Stauffer collected cost and unit information for residential, day services, financial management services, supportive home care, respite overnight, supported employment, sleep cycle support, specialized medical care (RN and LPN), medical alert rental, targeted case management and wellness monitoring. An allocation methodology was used to distribute and determine per diem costs, which were then used to evaluate cost coverage and assist in preparing our recommendations.

There were 59 providers that met the criteria which would require completion of the data collection tool. In order for the rate study to yield the most complete and accurate information, Community Developmental Disabilities Organizations (CDDO) and Community Service Providers (CSP) completing the tool were encouraged to provide as much detailed information as possible.

Areas of particular interest were the tier levels, hours, and salary information including benefits, wages and overtime. Direct costing methods were requested to be used to divide costs among service types or service settings whenever possible.



Recommendations

The development of a new reimbursement methodology should be based on knowledge of the factors that affect reimbursement, a detailed analysis of current conditions, and a clear understanding of the state's goals and objectives. The results of the current study suggest that the costs associated with day and residential services are no longer aligned with the ratios that have historically been used to differentiate the rates for these services. In fact it appears that the differences between those tiers has been reduced to a point such that the state might consider eliminating the tiers altogether. However, this observation is based on a very limited survey of provider staffing information.

In order to fully evaluate the tiered reimbursement system additional staffing data should be gathered to ensure that the state has a strong knowledge of the factors and current conditions that would impact reimbursement. Further efforts should continue to be guided by the state's policy goals and objectives.

Concern over the diminished relationship between the costs associated with day and residential services and the tier rates is further exasperated for the super tier rates. For these high cost rates even less data was available to review the appropriateness of existing staffing ratios and using the current staffing ratios produced an inverse relationship between the tiers and the rates. Due to their high cost and concerns about staffing ratios we recommend that an audit to cost be performed on super tier payments.



Introduction

Current Rate Study

Myers and Stauffer was engaged by the Kansas Department on Aging and Disability Services (KDADS) to evaluate the rates for services provided to individuals with developmental disabilities and to make recommendations for potential changes to the rate methodology. Myers and Stauffer, a certified public accounting firm established in 1977, has provided cost report verification, rate setting and consulting services to state and federal agencies for over 35 years. Our staff have extensive knowledge and hands-on experience performing audits, desk reviews and a wide array of rate setting, data management, analyses and consulting services.

This study and analysis fulfills the requirements contained in the Developmental Disabilities (DD) Reform Act of 1995. These provisions contained in K.S.A. 39-1801 through 39-1810 require an independent, professional review of the rate structures on a biennial basis, which results in recommendation to the legislature regarding proposed rate adjustments. Myers and Stauffer performed the last four rate study projects for KDADS. Using the insight gained from the prior rates studies and input from a provider committee, Myers and Stauffer developed a modified approach for the current rate study engagement. The current rate study used cost data collected from providers and market data along with other factors to build rates similar to the original Deloitte and Touche model.

The current rate study used a hybrid approach that blended market data research for certain components of the rate and inflated cost data for other components of the rate structure.

Prior Analyses and Findings

Per-diem costs per tier level

Our prior report used a quartile analysis of provider-specific covered costs and showed that providers with high concentrations of Tier 1 and Tier 2 clients had better rate to cost coverage than those with higher concentrations of individuals in Tiers 4 and 5.

A potential shortcoming of the allocation method is that absent an acuity index (other than the hours in the rate formula) service setting costs must be allocated equally across any days at that setting. For settings that include individuals at multiple tier levels, evenly dividing the cost flattens the recognition of cost differences across tiers. The current rate study attempts to address this shortcoming.

Another concern with this type of study is the burden to providers associated with the cost reporting process. Providers were expected to report costs by setting rather than in total. This presented enough challenges to many of the providers and some providers expressed the desire to not report costs in this manner for future studies.



Rate Study Methods

Stakeholder Group

In the preliminary stages of the rate study, a committee composed of six representatives from the provider community met with Myers and Stauffer and KDADS on multiple occasions. This committee provided insight and recommendations for the methods used to collect data and provided suggestions on how to structure this rate study. A listing of Stakeholder Group members is included in Appendix A.

The following recommendations from the Stakeholder Group were incorporated into the current study.

- *The data period for the study should be each agencies' fiscal year which ended in 2014. This approach meant that the study would utilize the most current data available.*
- *The cost tool should include lines to capture data for the following areas: direct care staff salaries, benefits, leave time, training time, direct care staff supervision (including span of control), non-personnel program expenses, day service facility costs, other consumer related costs, residential room and board expenses, and non-allowable costs. Lines titled, "Other Costs" should also be included so that all provider expenses can be accounted for.*
- *Remove unnecessary expense and revenue lines from the cost report for simplification.*
- *Include two options for reporting staff turnover to allow providers to report their information in a way most convenient based on how information is tracked.*
- *While the data gathered with the cost report tool will comprise part of the rate study, it should be paired with market research and analysis of other factors.*
- *The rate study data should be used to build rates based on similar parameters as the 1991 model.*

Data Collection Tool and Instructions

Incorporating recommendations from the Stakeholder Group, Myers and Stauffer developed a financial, staffing and service delivery data collection instrument for Community Service Providers (CSP), Financial Management Service Providers and Targeted Case Management Providers. The tool collected information concerning the following:

- *The provider's ownership structure, fiscal year cycle and demographic information.*
- *Detail of expenses incurred during the fiscal year, separated into applicable cost categories.*
- *Statistical information necessary to perform applicable cost allocations and other cost finding algorithms.*
- *A declaration by the owner and/or preparer that all information reported is accurate and complete.*



- *Other information that may be relevant to develop rates based on the calculations of the cost of providing services.*

The cost reporting tool was developed as an EXCEL workbook with separate tabs or worksheets designed to collect general provider data, units of service, and revenues and expenses by service category. Formulas used to simplify the completion and cost allocation process were embedded in the EXCEL tool. Copies of the tool and instructions are included in Appendices B and C.

The tool covered the twelve consecutive months of the provider's fiscal year ending in 2014.

On-line Training

Training for this study was conducted using Webinar Live Meeting, which allows individuals to join a meeting on-line and see the computer of the meeting leader. This allowed for real time demonstration and review of the data collection tool and eliminated the need for providers to travel to obtain training. The Live Meeting was augmented with a telephone conference call. Sessions were held on three days during the month of June. The sessions were held at varying times of the day to make them accessible to more provider staff.

Data Submission, Review and Inclusion in the Database for Analyses

In order for the rate study to yield the most complete and accurate information, providers completing the tool were encouraged to submit as much detailed information as possible.

Areas of particular interest were the units of service by tier level, hours, and salary information including benefits, wages and overtime. In dividing costs among service types, actual direct costing was requested whenever available.

Completed forms were sent electronically to Myers and Stauffer. In an attempt to maintain the integrity of the rate study, the submitted forms were reviewed for internal consistency and comparability to supporting documentation, such as audited financial statements, working trial balances, or tax returns.

After reviewing the surveys, 59 providers were determined to have useable data for the analyses. A provider's data was excluded if it was either incomplete, or if our review indicated that the submitted data appeared unreasonable or incorrect. One example of inconsistent data would be reporting units of service but no corresponding cost for that service.

Current Rate Formula

In 1991 Deloitte & Touche performed a rate study that was used to develop the rate formula for residential and day services. This rate formula continues to be the basis for rates. Prior to the Deloitte & Touche study, waiver services were reimbursed with rates established based on estimated average costs of services.

The Deloitte & Touche study sample included 245 unduplicated individuals which constituted approximately 50% of the 485 Home and Community Based Services (HCBS) waiver recipients at the time. The study evaluated the program costs at that time, staffing patterns, service delivery characteristics, state and federal licensing standards and other applicable data. The service



categories evaluated were Day Habilitation, Residential Habilitation, Supported Employment and Supported Family Living.

The Deloitte & Touch study served as the basis for an acuity-adjusted, or case mix, rate structure. The main components needed to develop a case mix rate structure include a methodology to assess consumer needs, a system that groups consumers with similar resource needs, and a method to link reimbursement to the predicted resource usage. At the time of the study, the decision was made to use the Developmental Disabilities Profile (DDP) as a tier level grouping methodology and rate models developed through cost study.

The DDP instrument yields a score in each of three indexes: adaptive functioning, maladaptive behavior and health needs. Because the indexes are not equivalent numerically (due to an unequal number of questions to determine each index) the index scores are converted. The maximum possible converted score is 300. The higher the score, the greater (more severe) is the disability of the individual.

In the Deloitte & Touche study, individual scores were converted to percentiles and ranked against the identified population set. These percentiles were divided into levels, which corresponded to consumers' service level needs. The highest percentile ranking corresponded to the highest level of need.

The rate system resulting from the Deloitte & Touche study was a provider independent, prospective pricing model. Prices were established through the creation of a rate model which represented a hypothetical provider and the determination of anticipated inputs and market prices.

All settings of Day Habilitation were treated as one service and all settings of Residential Habilitation were treated as one setting. Rate models were then developed for each service category. The models assumed inputs for direct personnel costs, direct administration costs, non-personnel operating costs, transportation costs, facility related costs and indirect administration costs based on data and observations from ten providers. The models included staffing ratios and hours of direct service delivered per day per consumer in the various service programs.

The models used wage rates for a DD trainee with three years experience for direct service staff with a benefits estimate of 20% of gross wages; a 15% relief factor to account for vacation, sick leave, holidays, training and meetings; a holiday coverage or client sick/snow day coverage factor; the wage rate for a DD specialist for the direct personnel supervision with a benefits estimate of 20% of gross wages; non-personnel operating, transportation and indirect administration based on a percentage of total unit cost; a vacancy factor; and an amount for overnight awake staff.

The day service rates did not include the holiday coverage factor or the overnight awake staff amounts. The rates did include a facilities related cost, based on a fixed dollar amount per consumer per year.



The basic rate structure has changed little since the original recommendation from Deloitte & Touche, although a few changes have been made. When transportation was removed from the rate structure, the costs were left in and renamed “other reimbursement.” Costs were added for staff training and medical and therapeutic consultation. The benefit factor was increased to 25% of gross wages. Wage rates and hours per tier level have also been increased and the vacancy factor has been reduced.

Residential Rates

Residential services are provided in the residence of persons who are not living in the family home and are designed to assist individuals to live successfully in a community setting they have chosen and can afford. They help with daily living needs, which vary depending on the individual receiving services.

Table 1: Current Residential Rates

Current Residential Rates		
	Regular	Super Tier
Tier 1	160.21	192.05
Tier 2	131.22	171.36
Tier 3	94.86	152.56
Tier 4	61.26	133.74
Tier 5	44.27	114.55

Day Service Rate Calculation Methodology

Day services are provided away from the person’s home, typically during working hours to increase the person’s independence, integration, inclusion and personal accomplishment. These day time services are structured activities, which may include workplace training, socialization, recreation and community inclusion.

Table 2: Current Day Service Rates

Current Day Rates		
	Regular	Super Tier
Tier 1	4.98	6.04
Tier 2	3.69	5.56
Tier 3	2.96	5.12
Tier 4	2.18	4.67
Tier 5	1.87	4.27



Analysis and Findings

As noted above, the current rate study was set up to mimic certain aspects of the original Deloitte & Touche model. Myers and Stauffer collected cost and data regarding units of service provided. Other staffing factors were also collected on the survey to acquire the information necessary to build rates for both Residential and Day services. Additionally, we gathered market data information to use for the salary and benefits portion of the rates. All cost data was inflated from the midpoint of the provider's fiscal year ending in 2014 to the midpoint of the rate study year, July 1, 2015.

Unlike wage rates, there was not a good proxy for many of the costs that should be included in the reimbursement rates. Therefore, Myers and Stauffer relied on reported costs for these rate components. Cost based components of the rate include direct administration costs, non-personnel operating costs, indirect administration cost and other consumer related costs. Each of these component costs were grouped together for all providers and divided by total units to determine an inflated cost per unit. The cost per unit is included in the rate structure.

In addition, Myers and Stauffer collected information that would allow us to include "other" factors in the rate such as turnover, training and client absent days.

Costs for other DD services were built using the base salary assumptions from the Residential and Day services and other factors were included as applicable. It should be noted that some of the DD services did not have a sufficient number of providers reporting on the cost and therefore a rate analysis could not be developed from the current study. Services for which rates were not analyzed include Supported Employment, Specialized Medical Care (RN and LPN), and Medical Alert Rental. For each of these services, there were less than four providers that reported cost and charges.



Building the Rates

This study includes analysis of rates for all DD waiver services for which we received sufficient cost data. However, since day and residential services are the services which predominantly drive the cost of the waiver program, the report focuses heavily on these two areas. There are also many similarities between the methodology of calculating rates for these services. For the sake of brevity, we have avoided repeating some descriptions of common components of the methodology.

General Description of Day and Residential Service Rate Calculations

Several components were included in the calculations of both the day and residential service rates. These included wages, benefits, other coverage costs, direct administration, turnover costs, non-personnel operating costs, indirect administration costs, other consumer related staff costs, training costs, and day services facility costs. Market data and provider cost data were analyzed to develop amounts for each of these components.

There are some variations between the calculations for day and residential services due to the differences in the unit of service associated with the services (per quarter hour for day services vs. per day for residential services) and the “span of care” between tiers. “Span of care” is a term we will use to account for the number of clients a direct care staff person can work with during a given time period. For day services, the span of care is applied as a ratio and divides the direct care staff costs out between the typical number of individuals the direct staff work with each hour. For residential services, the span of control is applied using the average number of hours of care each resident requires.

Day Services Rate Calculations

In this report, we have presented the calculation of the day services rate first. It includes details about how each rate component is calculated. Since many of these components were calculated in the same way for the residential services rate we have omitted some of the details in that rate calculation and referred back to the day services rate calculations.

Direct Staff Wage and Benefits

To begin building rates, Myers and Stauffer started with the direct staff hourly pay rate. It was considered important for the study to address concerns from the provider community that using cost based information for salaries only proves the providers are good at spending within the rate budget. Providers had expressed concerns that this approach doesn’t reflect wages that should be paid to remain competitive with the labor market. To determine a competitive wage we referenced Personal Care Aides estimates (occupation 39-9021) from the U.S. Bureau of Labor Statistics (BLS).

This occupation appears to be the best fit from BLS data for the direct service employees providing HCBS waiver services. The description of the occupation is “Assist the elderly, convalescents, or persons with disabilities with daily living activities at the person’s home or in a care facility. Duties performed at a place of residence may include keeping house (making beds,



laundry, washing dishes) and preparing meals. May provide assistance at non-residential care facilities. May advise families, the elderly, convalescents and person with disabilities regarding such things as nutrition, cleanliness and household activities.”

The percentile wage estimates for this occupation are a median (50th percentile) of \$9.83, 75th percentile of \$11.27 and the 90th percentile of \$13.42. The 75th percentile wage was selected for the rate construction since by definition this would represent that wage that 75% of the employees in this occupation would be expected to earn. For the benefits component we also obtained data from the BLS for private industry workers indicating a benefits ratio of 30.50%. The following table shows the resultant direct wage and benefits portion of the rate model.

Table 3: Wage and Benefits

Hourly Pay Rate	\$11.27
Benefits	30.50%
Wage and Benefits	\$14.71

Other Coverage Factors

The rate includes a factor that takes into consideration the times when a client is absent but service costs are still incurred such as holiday coverage and snow days. The original Deloitte & Touche model only applied the other coverage factor to the residential services, however we have applied the factor to both residential and day services because we believe there are circumstances when a client might not be present for a day service. Even when a client is not present, the fixed cost of providing that service would still apply.

The other coverage factor was determined by taking the average days reported for Holiday, sick and snow days reported by providers on the survey and dividing by 365 days per year. The percentages were aggregated for all providers. The coverage factor was calculated as the average percentage times the base wage and benefit amount. This calculation was added to the base direct care per unit amount.

Table 4: Other Coverage Factor Calculation

	Days		
Holiday	7.13	365	0.0195
Sick/Snow	15.41	365	0.0422
Total	22.54	365	0.0618
Direct Care Wage and Benefits			\$14.71
Other Coverage Add-On			\$0.91
Base Plus Other Coverage			\$15.62



Direct Administration

Direct administration is the time and cost involved with supervising the direct care staff. Myers and Stauffer collected data on the span of control and wages for direct care supervisors. This was used to develop an estimate of the cost of direct administration. The average span of control based on reporting providers was a ratio of one supervisor to every 9.66 direct care staff. To determine a wage estimate for direct supervisors, Myers and Stauffer considered the State of Kansas Civil Service Wage and Salary Schedule for a DD specialist. The market wage from that table was \$12.98 per hour. Since this rate was below the direct staff rate already being used for the rate construction, we considered other sources. A close fit was identified from BLS data for Social and Human Services Assistants (occupation 21-1093). The BLS reports a median hourly wage of \$14.32 and we used this amount to estimate reasonable wages for a direct supervisor. A benefits factor of 30.50% was applied which yielded \$18.69 for wages and benefits.

Myers and Stauffer applied the wage and benefits amount for a direct supervisor to the span of control ratio to derive an estimate of direct supervision cost per hour of direct staff care. This was converted into a percentage of the direct staff cost by comparing it to the direct staff wage and benefits hourly cost, \$14.71, as described above. The percentage was then applied to the total direct staff cost per unit (Base Plus Other Coverage) to calculate direct administration costs.

Table 5: Direct Administration Allowance Calculation

Direct Supervisor Wages	\$14.32
Benefits Percent	30.50%
Benefits Add-On	\$4.37
Wage Plus Benefits	\$18.69
Span of Control Ratio (1:9.66)	0.10352
Span of Control Wage (Direct Supervisor Wage x Span of Control Ratio)	\$1.93
Direct Staff Wage and Benefits (hourly cost)	\$14.71
Span of Control Factor (span of control wage as a percent of direct staff wage plus benefits)	13%
Base Plus Other Coverage	\$15.62
Direct Administration Cost	\$2.05

Turnover Cost Factor

Staff turnover increases costs for organizations. Additional costs can be incurred in the form of overtime paid to other staff to cover for lost employees. It can be incurred in training costs for new staff. Additional costs may also result from errors made by less experienced staff. Calculating the cost of staff turnover can be challenging. However, there are established methods using formulas that can be used to estimate the cost of staff turnover.

One such formula, published by the American Society of Employers (ASE), starts with the annual salary for the positions experiencing turnover and incorporates adjustments for lost productivity.



For this study Myers and Stauffer used the 75th percentile wage estimate, \$11.27, for personal care aides reported by the U.S. Bureau of Labor Statistics. The hourly wage was multiplied by 2,080 hours to convert it to an annual salary of \$23,442. To account for the additional costs of vacant positions, training time, errors, etc. we increased the annual labor cost by a productivity multiplier of two (2.0) to derive a total annual vacancy salary of \$46,884.

Because this study is concerned with estimating service rates that are determined by hours of staff time we made further adjustments to calculate an hourly rate using the ASC methodology. First we divided the annual vacancy salary by the total working days, 232, in a year to get a daily rate of \$203.84. This was multiplied by 52, an estimate of the average number of days it would take to fill a position. This resulted in a cost of vacancy of \$10,600. To reflect the turnover rate the cost of vacancy was multiplied by the average turnover percentage of 49.97%, which was calculated from the cost survey data. This produced an average vacancy cost of \$5,297. This amount was divided by 2,080 hours to distribute the cost across each hour of staff time for the year. This resulted in a per hour turnover cost of \$2.55. The turnover cost was then combined with the direct administration costs and the Base Plus Other Coverage total to derive the Total Direct Staff Cost Per Hour.

Table 6: Day Services Total Direct Staff Cost Per Hour

Base Plus Other Coverage	\$15.62
Direct Administration Cost	\$2.05
Turnover Cost	\$2.55
Total Direct Staff Cost Per Hour	\$20.22

Span of Care Adjustments

Up to this point all the calculations to produce a rate for day services were applicable to all tier levels. However, since the tier levels are designed to reflect the varying needs of the DD waiver participants, a span of care adjustment was necessary to calculate rates for each tier. This adjustment was applied to the Total Direct Staff Cost Per Hour.

The span of care adjustment has historically been based on the ratio of staff to residents determined to be appropriate for each tier. These ratios were used to determine the amount of time a staff person would be anticipated to spend with a resident at each tier level. Multiplying this amount of time by the Total Direct Staff Cost Per Hour determines the hourly cost of providing direct services to a waiver participant at each tier level. Since a unit of service for day services is based on 15 minute units, the hourly cost must be divided by four to convert it to a cost per unit of service. The table below presents the calculations to determine the direct staff care rate per unit.



Table 7: Day Services Per Unit Direct Staff Rate Calculation – Historical Ratios

Tier	1	2	3	4	5
Direct Service Staffing Ratio	1:2.5	1:3.5	1:4.5	1:6.5	1:8.0
Direct Service Hours Per Participant	0.40	0.29	0.22	0.15	0.13
Total Direct Staff Cost Per Hour	\$20.22	\$20.22	\$20.22	\$20.22	\$20.22
Span of Care Adjusted Cost Per Hour	\$8.09	\$5.79	\$4.50	\$3.11	\$2.53
Service Units Per Hour	4	4	4	4	4
Per Unit Direct Staff Rate	\$2.02	\$1.45	\$1.13	\$0.78	\$0.63

Reviewing the above table, one can easily see that the staffing ratios play a critical role in determining the rates for each tier. The greater that ratio, the less direct staff time that is allocated for each resident per hour. Thus, a greater ratio results in a lower unit rate. The per unit rate for direct care staffing for Tier 1 is more than three times the rate for Tier 5. This difference results since one staff person is anticipated to work with 2.5 Tier 1 participants per hour. In contrast, the same staff person would be expected to work with 8.0 Tier 5 participants.

Because of the critical nature of the staffing ratios, this study included an effort to update the data upon which these ratios are based. All providers that completed a cost survey for this study were also asked to complete a staffing survey. Staffing surveys were collected for 31 different day services settings. This provided staffing information on 512 waiver participants. A detailed explanation of the staffing survey process is included as Appendix D. Based on this data, Myers and Stauffer calculated staffing ratios and repeated the same steps that were previously applied using the historical ratios to calculate Per Unit Direct Staff Rates for each tier. The table below presents the Per Unit Direct Staff Rate calculations for each tier using the updated staffing ratios.

Table 8: Day Services Per Unit Direct Staff Rate Calculation – Revised Ratios

Tier	1	2	3	4	5
Direct Service Staffing Ratio	1:3.4	1:4.0	1:4.5	1:5.0	1:4.6
Direct Service Hours Per Participant	0.29	0.25	0.22	0.20	0.22
Total Direct Staff Cost Per Hour	\$20.22	\$20.22	\$20.22	\$20.22	\$20.22
Span of Care Adjusted Cost Per Hour	\$5.95	\$5.05	\$4.49	\$4.04	\$4.40
Service Units Per Hour	4	4	4	4	4
Per Unit Direct Staff Rate	\$1.49	\$1.26	\$1.12	\$1.01	\$1.10

The updated staffing data produced ratios that were very different than the historical ratios. The resulting rates were also very different. The updated ratios still showed a correlation to the tier levels but that relationship was much flatter than for the historical ratios. The same was true for the rates produced using the updated ratios. The highest rates were still associated with Tier 1 and Tier 2 but they were much less than the Tier 1 and Tier 2 rates produced using the historical



ratios. The lowest rates were calculated for Tier 4 and Tier 5 but those rates were higher than the ones calculated using the historical ratios.

The conclusion could be drawn that the updated staffing data indicates there is less difference in staffing costs between a Tier 1 participant and a Tier 5 participant now than there was when the historical ratios were determined. However, it must be noted that the sample size for the staffing survey was not large enough to be statistically significant so any conclusions inferred from this analysis must be taken with that caveat. This updated data does show that there appears to be good cause to consider reviewing the current tiered rate structure and that some collapsing of tiers or even the elimination of tiers might be appropriate. Before such action is taken, additional in-depth study of the staffing for each tier level should be conducted.

For the remainder of the rate calculations presented in this report, Myers and Stauffer has used both the historical and the updated staffing ratios. However, the caveat remains that the updated staffing ratios are not statistically significant. Therefore, observations and conclusions drawn from this data should be taken with caution.

Other Overhead Costs Included in the Rate Calculation

There are a number of other costs that were included in the day services rate calculation that could generally be classified as overhead expenses. These included non-personnel operating costs, indirect administration costs, other consumer related staff costs, facility costs, and staff training costs. Myers and Stauffer relied on reported costs to estimate rate components for each of these amounts. In most cases this involved dividing the reported cost by the units of service provided to calculate a cost per unit. We also applied inflation to these costs to adjust them from the midpoint of the cost survey period to the midpoint of the rate study period.

Staff Training Factor

Overhead cost associated with staff training was treated differently. Since staff training involves direct care staff time, the cost can be estimated using the direct care staffing cost per hour. Below is a detailed explanation of how we estimated a rate component for staff training.

Staff training is an important part of providing quality services to the clients. In order to include a training component in the evaluation of rates, Myers and Stauffer collected total hours for each of the consumer-related personnel and the hours they spent in training. For all providers that reported both total hours and staff training hours, we divided the training hours by total hours to determine the staff training percentage. We then calculated the average of all of the providers' staff training percentages. The average percentage was multiplied by the Direct Wage & Benefits amount and divided by four to determine the training cost per unit of service. The average of the staff training percentages was 3% and when this was multiplied by the Direct Wage & Benefits estimate of \$14.71, the result was a per hour cost of \$0.46. Dividing this by four produced a per unit rate component for training of \$0.11.

The table below summarizes the rate components included for other overhead costs.



Table 9: Other Overhead Costs Rate Components (per unit)

Non-Personnel Operating Cost	\$0.48
Indirect Administration Costs	\$0.59
Other Consumer Related Staff Costs	\$0.18
Training Time Costs	\$0.11
Facility Costs	\$0.35
Total Other Overhead Costs	\$1.71

Total Calculated Regular Tier Rates

To determine the total rates for each tier, the Per Unit Direct Staff Rate and the Total Other Overhead Costs were combined. This was done using both the Per Unit Direct Staff Rate calculated with historical staffing ratios and the amount calculated with updated ratios. Regardless of which set of ratios were used the calculated rates produced lower rates for Tier 1 and Tier 2 compared to the current rates, and higher rates for Tier 4 and Tier 5 compared to the current rates. The calculated rates for Tier 3 are close to the current rate for that tier. The tables below show the total calculated rates using both sets of ratios and compares the calculated rates to the current rates.

Table 10: Total Calculated Regular Tier Rates – Day Services (Historical Staffing Ratios)

Tier	1	2	3	4	5
Per Unit Direct Staff Rate	\$2.02	\$1.45	\$1.13	\$0.78	\$0.63
Total Other Overhead Costs	\$1.71	\$1.71	\$1.71	\$1.71	\$1.71
Total Calculated Regular Tier Rate	\$3.73	\$3.16	\$2.84	\$2.49	\$2.34
Current Rates Effective 1/1/14	\$4.98	\$3.68	\$2.96	\$2.18	\$1.87
Difference (Calculated-Current)	-\$1.25	-\$0.52	-\$0.12	\$0.31	\$0.47
Percentage Difference	-25%	-14%	-4%	14%	25%

Table 11: Total Calculated Regular Tier Rates – Day Services (Updated Staffing Ratios)

Tier	1	2	3	4	5
Per Unit Direct Staff Rate	\$1.49	\$1.26	\$1.12	\$1.01	\$1.10
Total Other Overhead Costs	\$1.71	\$1.71	\$1.71	\$1.71	\$1.71
Total Calculated Regular Tier Rate	\$3.20	\$2.97	\$2.83	\$2.72	\$2.81
Current Rates Effective 1/1/14	\$4.98	\$3.68	\$2.96	\$2.18	\$1.87
Difference (Calculated-Current)	-\$1.78	-\$0.71	-\$0.13	\$0.54	\$0.94
Percentage Difference	-36%	-19%	-4%	25%	50%



The calculated rates based on the current study suggests justification for the rates of Tier 1 and Tier 2 to be reduced. Furthermore, the data suggests that the rates for Tier 4 and Tier 5 rates could be increased. The calculated rates for Tier 3 was very close to the current rate but also suggest the possibility for a slight adjustment downwards. This holds true whether the current staffing ratios are used or if updated ratios were used in the calculations. However, the rates calculated using the updated staffing ratios widen the disparity between the current rates for the Tier 1, Tier 2, Tier 4 and Tier 5 .

Clearly, implementing the changes to rates suggested by the current study would have a significant impact on each of the individual tier rates except for Tier 3. Measuring the overall impact of these changes is complex. Although, it appears that the decreases to Tier 1 and Tier 2 would nearly offset the changes to Tier 4 and Tier 5, a more precise estimate of the fiscal impact would need to incorporate the number of waiver participants in each Tier. The majority of the waiver participants fall into Tiers 1, 2 and 3. To gain a better understanding of the overall impact of the calculated rates Myers and Stauffer calculated weighted average rates for each scenario. We based the weighted averages on the distribution of beneficiaries across the tiers using the data we collected through our staffing survey. The tables below present that distribution and show the weighted average rate calculations using both sets of staffing ratio data (historical and survey). The weighted average calculated rates were then compared to the weighted average of the current rates.

Table 12: Participant Distribution between Day Services Tiers

Tier	Participants	%
1	103	20.8%
2	134	27.0%
3	141	28.4%
4	73	14.7%
5	45	9.1%

Table 13: Weighted Average Rate Comparison (Historical Staffing Ratios)

Weighted Average of Calculated Rates	\$3.01
Weighted Average of Current Rates Effective 1/1/14	\$3.36
Difference (Calculated-Current)	-\$0.35
Percentage Difference	-10.3%

Table 14: Weighted Average Rate Comparison (Updated Staffing Ratios)

Weighted Average of Calculated Rates	\$2.93
Weighted Average of Current Rates Effective 1/1/14	\$3.36
Difference (Calculated-Current)	-\$0.43
Percentage Difference	-12.9%



The weighted average comparison indicates that the calculated rates would result in an overall rate decrease compared to the current rates. The decrease was more significant for the calculated rates based on updated ratios than it was for the calculated rates based on the historical staffing ratios. The decrease using the historical ratios was 10.3% and with the updated ratios the decrease was 12.9%. Based on this analysis, it appears that the decreases to Tier 1 and Tier 2 rates would more than offset the increases to Tier 4 and Tier 5 rates regardless of which staffing ratio data is used.

Super Tier Rate Calculations

Over time the state recognized a need to allow for exceptions to the regular day services tier rates for cases where these reimbursement rates appear to be inadequate to meet the needs of a specific waiver participant. To address this issue the state created super tier rates for each tier that allow for higher reimbursement for individuals approved on a case by case basis. This study also reviewed day services super tier rates. However, the staffing survey only collected data on 12 day services participants that were reported at super tier rates. This did not provide enough information to calculate rates based on the reported staffing ratios for this group. In fact, no data was received for super tier rates for Tier 5 and data was only received for one person at the super tier level for Tier 3. Therefore, to determine super tier rates, Myers and Stauffer relied on the historical relationship between the regular tier rates and the super tier rates. We calculated this relationship as a percentage by dividing the current super tier rates by the current regular tier rates. We applied this percentage to the calculated regular tier rates.

The tables below present the calculated super tier rates based on the historical relationship explained above. Table 15 includes rates based on the historical staffing ratios. Table 16 includes rates based on the updated ratios. We have also included a comparison of the calculated rates to the current rates. However, since we are basing the calculated super tier rates on the calculated regular tier rates and the current relationship between the two sets of rates, the percentage rate differentials are the same as those found for the regular tier rates.

Table 15: Total Calculated Super Tier Rates – Day Services (Historical Staffing Ratios)

Tier	1	2	3	4	5
Super Tier % of Regular Rates	121%	151%	173%	214%	228%
Calculated Regular Tier Rates	\$3.73	\$3.16	\$2.84	\$2.49	\$2.34
Calculated Super Tier Rates	\$4.52	\$4.77	\$4.91	\$5.33	\$5.34
Current Rates Effective 1/1/14	\$6.04	\$5.56	\$5.12	\$4.67	\$4.27
Difference (Calculated-Current)	-\$1.52	-\$0.79	-\$0.21	\$0.66	\$1.07
Percentage Difference	-25%	-14%	-4%	14%	25%



Table 16: Total Calculated Super Tier Rates – Day Services (Updated Staffing Ratios)

Tier	1	2	3	4	5
Super Tier % of Regular Rates	121%	151%	173%	214%	228%
Calculated Regular Tier Rates	\$3.73	\$3.16	\$2.84	\$2.49	\$2.34
Calculated Super Tier Rates	\$3.88	\$4.49	\$4.90	\$5.83	\$6.41
Current Rates Effective 1/1/14	\$6.04	\$5.56	\$5.12	\$4.67	\$4.27
Difference (Calculated-Current)	-\$2.16	-\$1.07	-\$0.22	\$1.16	\$2.14
Percentage Difference	-36%	-19%	-4%	25%	50%

Under this methodology the super tier rate calculations produce an inverted relationship to the tier levels. In other words, the calculated Tier 5 rate is higher than the calculated Tier 1 rate. This holds true regardless of whether the historical or updated staffing ratios are used. This is due to the fact that the regular tier rate calculations indicated a flattened relationship between the Tier 1 and Tier 5 regular rates. This change in the relationship between the tier rates distorts the relationship between the regular tier rates and super tier rates. To compensate for this change we performed an alternative calculation which applied the average relationship between regular tier rates and super tier rates. Tables 17 and 18 show these adjusted super tier rates.

Table 17: Total Calculated Super Tier Rates – Day Services (Historical Staffing Ratios)

Tier	1	2	3	4	5
Super Tier % of Regular Rates	178%	178%	178%	178%	178%
Calculated Regular Tier Rates	\$3.73	\$3.16	\$2.84	\$2.49	\$2.34
Calculated Super Tier Rates	\$6.62	\$5.61	\$5.04	\$4.42	\$4.16
Current Rates Effective 1/1/14	\$6.04	\$5.56	\$5.12	\$4.67	\$4.27
Difference (Calculated-Current)	\$0.58	\$0.05	-\$0.08	-\$0.25	-\$0.11
Percentage Difference	10%	1%	-1%	-5%	-3%

Table 18: Total Calculated Super Tier Rates – Day Services (Updated Staffing Ratios)

Tier	1	2	3	4	5
Super Tier % of Regular Rates	178%	178%	178%	178%	178%
Calculated Regular Tier Rates	\$3.73	\$3.16	\$2.84	\$2.49	\$2.34
Calculated Regular Rates	\$5.68	\$5.28	\$5.03	\$4.83	\$4.99
Current Rates Effective 1/1/14	\$6.04	\$5.56	\$5.12	\$4.67	\$4.27
Difference (Calculated-Current)	-\$0.32	-\$0.28	-\$0.09	\$0.16	\$0.72
Percentage Difference	-6%	-5%	-2%	3%	17%



Using the average relationship between the regular and super tier rates creates a more logical relationship between the rates and the tier levels. This methodology also has a less drastic impact on the change in rates compared to the current rates. Without this approach the weighted average rate would decrease by at least 14%. Using this methodology would still produce a decrease in the weighted average rate but the change would be under 4%.

Residential Rate Calculations

Rates for residential services were calculated using the same components as the rates for day services. However, the tier level adjustments were different because of the difference between the lengths of time each unit of service covers. While day services units cover a 15 minute period, residential service units cover an entire day.

Because rate calculations for residential and day service both rely on a calculated hourly cost for direct care staffing, the same calculations could be utilized for both sets of rates. These calculations of the Total Direct Staff Cost per Hour were previously illustrated in Tables 3, 4, 5 and 6. These same calculations were used as the basis for residential rate calculations.

Using the Total Direct Staff Cost per Hour, the Total Direct Staff Cost per Unit could be calculated for each tier for the residential services rates. This was done by multiplying the Total Direct Staff Cost per Hour by the average Direct Staff Hours for each tier. This calculation was made using both historical staffing data and updated staffing data acquired through the staffing survey completed with this study. The tables below illustrate the tier level specific calculations of the Total Direct Staff Cost per Unit for each tier using both historical and updated staffing data.

Table 19: Residential Services Per Unit Direct Staff Rate Calculation – Historical Ratios

Tier	1	2	3	4	5
Direct Service Hours Per Participant	5.14	4.11	2.94	1.87	1.29
Total Direct Staff Cost Per Hour	\$20.22	\$20.22	\$20.22	\$20.22	\$20.22
Total Direct Staff Cost Per Unit	\$103.94	\$83.11	\$59.45	\$37.81	\$26.09

Table 20: Residential Services Per Unit Direct Staff Rate Calculation – Updated Ratios

Tier	1	2	3	4	5
Direct Service Hours Per Participant	6.32	4.73	3.83	3.54	2.83
Total Direct Staff Cost Per Hour	\$20.22	\$20.22	\$20.22	\$20.22	\$20.22
Total Direct Staff Cost Per Unit	\$127.80	\$95.65	\$77.45	\$71.58	\$57.23

Other Overhead Costs Included in the Rate Calculation

As with day services, there are a number of other costs that were included in the residential services rate calculation that could generally be classified as overhead expenses. These included non-personnel operating costs, indirect administration costs, other consumer related staff costs,



and staff training costs. Unlike day services, facility costs were excluded from the residential rate calculations since those costs are non-reimbursable for residential services.

We relied on reported costs to estimate rate components for each of these overhead components. In most cases this involved dividing the reported cost by the units of service provided to calculate a cost per unit. We also applied inflation to these costs to adjust them from the midpoint of the cost survey period to the midpoint of the rate study period.

Staff Training Factor

Overhead costs associated with staff training were treated differently. Since staff training involves direct care staff time, the cost can be estimated using the direct care staffing cost per hour. Below is a detailed explanation of how we estimated a rate component for staff training.

Staff training is an important part of providing quality services to the clients. In order to include a training component in the evaluation of rates, Myers and Stauffer collected total hours for each of the consumer related personnel and the hours they spent in training. For all provider's that reported both total hours and staff training hours, we divided the training hours by total hours to determine the staff training percentage. We then calculated the average of all of the provider's staff training percentages. The average percentage was then multiplied by the Direct Wage & Benefits amount to get the training cost per hour. The training cost per hour was then multiplied by the Direct Staff Hours for each residential tier to calculate a per unit Training Time Factor for each tier. The average of the staff training percentages was 3% and when this was multiplied by the Direct Wage & Benefits estimate of \$14.71, the result was a per hour cost of \$0.46. Multiplying this by the Direct Staff Hours for each tier produces a per unit rate component for training.

The table below lists the rate components included for other overhead cost and gives the total of those costs for each tier.

Table 21: Other Overhead Costs Rate Components (per unit)

Tier	1	2	3	4	5
Non-Personnel Operating Costs	\$7.90	\$7.90	\$7.90	\$7.90	\$7.90
Indirect Administration Costs	\$20.01	\$20.01	\$20.01	\$20.01	\$20.01
Other Consumer Related Staff Costs	\$5.11	\$5.11	\$5.11	\$5.11	\$5.11
Training Time Costs	\$2.36	\$1.89	\$1.35	\$0.86	\$0.59
Total Other Overhead Costs	\$35.93	\$35.20	\$34.78	\$34.65	\$34.32

Total Calculated Residential Service Rates

To obtain total calculated rates for residential services Myers and Stauffer combined the Total Direct Staff Cost per Unit with the Total Other Overhead Costs for each tier. This was done using both sets of staffing ratios. The tables below present the Total Calculated Residential Service Rates for each set of staffing data. The tables also compare the current residential services rates with the calculated rates.



Table 22: Residential Services Per Unit Direct Staff Rate Calculation – Historical Ratios

Tier	1	2	3	4	5
Total Direct Staff Cost Per Unit	\$103.94	\$83.11	\$59.45	\$37.81	\$26.09
Total Other Overhead Costs	\$35.93	\$35.20	\$34.78	\$34.65	\$34.32
Total Residential Services Rates	\$139.32	\$118.02	\$93.82	\$71.69	\$59.70
Current Rates Effective 1/1/14	\$160.21	\$131.22	\$94.86	\$61.26	\$44.27
Difference (Calculated-Current)	-\$20.89	-\$13.20	-\$1.04	\$10.43	\$15.43
Percentage Difference	-13%	-10%	-1%	17%	35%

Table 23: Residential Services Per Unit Direct Staff Rate Calculation – Updated Ratios

Tier	1	2	3	4	5
Total Direct Staff Cost Per Unit	\$127.80	\$95.65	\$77.45	\$71.58	\$57.23
Total Other Overhead Costs	\$35.93	\$35.20	\$34.78	\$34.65	\$34.32
Total Residential Services Rates	\$163.73	\$130.85	\$112.23	\$106.23	\$91.55
Current Rates Effective 1/1/14	\$160.21	\$131.22	\$94.86	\$61.26	\$44.27
Difference (Calculated-Current)	\$3.52	-\$0.37	\$17.37	\$44.97	\$47.28
Percentage Difference	2%	0%	18%	73%	107%

The calculated residential service rates produce results that are similar to those that were observed for day services. Regardless of whether historical or updated staffing data is used, the calculated rates for Tier 4 and Tier 5 were higher than the current rates. However, that increase is greater using the updated staffing data. The updated staffing data also produces higher rates for Tiers 1, 2 and 3. However, compared to the current rates, the calculated rates result in only a small increase for Tier 1, virtually no change for Tier 2, and an 18% increase for Tier 3. Using historical staffing data the calculated rates for Tier 1, 2, and 3 were lower than the existing rates. Accordingly, calculated rates suggest a flattening of the range between Tier 1 rates and Tier 5 rates with varying levels of change among the respective tiers. Again this is similar to the results for day services rates.

To better evaluate the impact of the calculated rates under each scenario, Myers and Stauffer determined weighted average rates for both the current rates and calculated rates. This allowed for a measurement in the aggregate change in the rates. The distribution used to determine the weighting was based on the data collected from the staffing survey conducted for this study. The tables below present this distribution and show the weighted average rate calculations for both the rates produced by historical staffing data and updated staffing data.



Table 24: Participant Distribution between Residential Services Tiers

Tier	Participants	%
1	139	34.15%
2	97	23.83%
3	98	24.08%
4	53	13.02%
5	20	4.91%

Table 25: Weighted Average Rate Comparison (Historical Staffing Ratios)

Weighted Average of Calculated Rates	\$110.57
Weighted Average of Current Rates Effective 1/1/14	\$118.98
Difference (Calculated-Current)	-\$8.41
Percentage Difference	-7.07%

Table 26: Weighted Average Rate Comparison (Updated Staffing Ratios)

Weighted Average of Calculated Rates	\$132.46
Weighted Average of Current Rates Effective 1/1/14	\$118.98
Difference (Calculated-Current)	\$13.48
Percentage Difference	11.33%

The weighted average rate analysis indicates that the choice of staffing ratio data would have a significant impact on the rates overall. Using historical staffing data would reduce rates overall by about 7%, while using updated staffing data would result in an overall increase of about 11%.

Residential Services Super Tier Rate Calculations

Super tier rates are also used for residential services just as they are for day services. As with day services, the staffing survey only collected data on a small number of individuals that were identified as qualifying for super tier rates. Therefore Myers and Stauffer relied on the historical relationship between the regular rates and the super tier rates to calculate super tier rates. We calculated this relationship as a percentage by dividing the current super tier rates by the current regular tier rates. We averaged the percentage for each tier to determine an aggregate percentage to apply to all tiers. We applied this percentage to the calculated regular tier rates in order to determine the super tier rates.

The tables below present the calculated super tier rates based on the historical relationship explained above. Table 27 includes rates based on the historical staffing ratios. Table 28 includes rates based on the updated ratios. We have also included a comparison of the calculated rates to the current rates.



Table 27: Total Calculated Super Tier Rates – Residential Services (Historical Staffing Ratios)

Tier	1	2	3	4	5
Super Tier % of Regular Rates	178%	178%	178%	178%	178%
Calculated Regular Tier Rates	\$139.32	\$118.02	\$93.82	\$71.69	\$59.70
Calculated Super Tier Rates	\$247.53	\$209.69	\$166.69	\$127.37	\$106.07
Current Rates Effective 1/1/14	\$192.05	\$171.36	\$152.56	\$133.74	\$114.55
Difference (Calculated-Current)	\$55.48	\$38.33	\$14.13	-\$6.37	-\$8.48
Percentage Difference	29%	22%	9%	-5%	-7%

Table 28: Total Calculated Super Tier Rates – Residential Services (Updated Staffing Ratios)

Tier	1	2	3	4	5
Super Tier % of Regular Rates	178%	178%	178%	178%	178%
Calculated Regular Tier Rates	\$163.73	\$130.85	\$112.23	\$106.23	\$91.55
Calculated Super Tier Rates	\$290.90	\$232.48	\$199.40	\$188.74	\$162.66
Current Rates Effective 1/1/14	\$192.05	\$171.36	\$152.56	\$133.74	\$114.55
Difference (Calculated-Current)	\$98.85	\$61.12	\$46.84	\$55.00	\$48.11
Percentage Difference	51%	36%	31%	41%	42%

The super tier rate calculations generally produced significant increases compared to the existing rates. The exceptions were for Tier 4 and Tier 5 when historical staffing ratios were used. To gain a better understanding of the overall impact of the calculated rates we again determined weighted average rates using the rates for all tiers. The weighted average calculated rate was higher than the weighted average of the current rates for both rates based on historical staffing data and those based on updated staffing data. For rates based on the historical staffing data the weighted average rate would increase approximately 24%, and for rates based the updated staffing data the weighted average would increase approximately 48%.



Other Intellectual and Developmentally Disabled Services

In addition to the day and residential services, there are a number of other services available to HCBS consumers including supportive home care, personal assistant services, targeted case management, respite overnight, financial management services, wellness monitoring, specialized medical care, supported employment, sleep cycle and medical alert. Where applicable we utilized the same rate components as day and residential services. However, services such as financial management services and wellness monitoring did not fit that rate construction model. For these services we relied on the cost data collected to calculate a per unit rate.

It should be noted that with the exception of targeted case management, these services were not well represented in terms of the number of providers reporting unit and cost data. It was not clear if the sample of providers submitting surveys did not have consumers that use the services or whether these services are just not widely provided to the HCBS community.



Supportive Home Care

There were nine providers that participated in the rate study that reported units and cost for supportive home care services. While this number is less than anticipated, Myers and Stauffer constructed a rate using a method similar to the approach used for day and residential service rates. These calculations started with the same wage and benefit hourly amount of \$14.71 and added the non-personnel operating, indirect administration, other consumer related staff, training and turnover components of the rate. We did not include the direct supervisor component of the rate calculation or other coverage factors because they are not applicable to supportive home care service.

Table 29: Supportive Home Care Rate Calculation

Hourly Pay Rates	11.27
Benefits	30.50%
Wage & Benefits	14.71
Non-Personnel Operating Cost	0.21
Indirect Administration Cost	0.49
Other Consumer Related Staff Cost	0.18
Training Time Factor	0.46
Turnover Cost	2.55
Total Calculated Rate	18.59
Convert to 15 Minute Unit	4
15 Minute Unit Rate	4.65
Rate Effective 1/1/14	3.06
Difference in Rates	1.59

The total calculated rate per hour is \$18.59, which was converted to a 15 minute unit to arrive at \$4.65 per unit.



Personal Assistant Services

Personal assistant service was calculated using the same methodology as Supportive Home Care. The only difference between the rates was the add-on amounts for non-personnel operating, indirect administration and other consumer related costs.

Table 30: Personal Assistant Services Rate Calculation

Hourly Pay Rates	11.27
Benefits	30.50%
Wage & Benefits	14.71
Non-Personnel Operating Cost	0.30
Indirect Administration Cost	0.36
Other Consumer Related Staff Cost	0.11
Training Time Factor	0.46
Turnover Cost	2.55
Total Calculated Rate	18.49
Convert to 15 Minute Unit	4
15 Minute Unit Rate	4.62
Rate Effective 1/1/14	2.64
Difference in Rates	1.98



Targeted Case Management

To build a rate for targeted case management (TCM), we used the market data from the Bureau of Labor Statistics for Social and Human Service Assistants (occupation 21-1093). The occupation description is "Assist in providing client services in a wide variety of fields, such as psychology, rehabilitation, or social work, including support for families. May assist clients in identifying and obtaining available benefits and social and community services. May assist social workers with developing, organizing, and conduction programs to prevent and resolve problems relevant to substance abuse, human relationships, rehabilitation, or dependent care."

Again, the wage estimate was based on the 75th percentile which is \$18.10 per hour. The rate model calculation includes add-ons for training, turnover and other personnel, administration and other consumer costs. Since the TCM service uses a 15 minute unit, the hourly calculated rate was converted to a 15 minute unit.

Table 31: Targeted Case Management Rate Calculation

Hourly Pay Rates	18.10
Benefits	30.50%
Wage & Benefits	23.62
Non-Personnel Operating Cost	0.83
Indirect Administration Cost	1.99
Other Consumer Related Staff Cost	0.43
Training Time Factor	0.73
Turnover Cost	2.55
Total Calculated Rate	30.16
Convert to 15 Minute Unit	4
15 Minute Unit Rate	7.54
Rate Effective 1/1/14	10.83
Difference in Rates	(3.29)



Respite Overnight

Although there were only four providers that reported units and cost for respite overnight services, Myers and Stauffer calculated a rate in a similar manner as the supportive home care service. Respite overnight is a daily rate, therefore the calculations used the same hourly wage and benefit rate of \$14.71. This was multiplied by the number of hours that can be billed (minimum of 8 and maximum 12). Because the individual providing this service is allowed to sleep, we adjusted the eight hour rate by a “sleep factor.” The sleep factor was determined by utilizing a differential between the Personal Assistant service rate and the current respite overnight rate. The calculated differential was then divided by the personal assistant rate per shift to determine the percentage difference.

Table 32: Respite Sleep Factor

Billable Hour	8	9	10	11	12
Current Personal Assistant Services Rate	2.64	2.64	2.64	2.64	2.64
Units Per Hour (15 minute unit)	32	36	40	44	48
Personal Assistant Rate Times Units Per Hour	84.48	95.04	105.60	116.16	126.72
Current Respite Overnight Rates	58.34	58.34	58.34	58.34	58.34
Differential	26.14	36.70	47.26	57.82	68.38
Percentage of Difference (Sleep Factor)	31%	39%	45%	50%	54%

The remaining rate calculation includes the add-ons for non-personnel operating, indirect administration, other consumer related, training and turnover. The table below shows the rate calculation for each potential billable hour.

We presented the rate calculation based on possible billing hours because we did not have the information necessary to determine the average number of hours billed for this service. Some other possible considerations are:

- *Should a base wage be closer to the minimum wage since the consumer is typically sleeping?*
- *Is there a different way to calculate the sleep factor? Should the sleep factor be a constant percentage?*

Because this service allows for a range of billed hours, Myers and Stauffer recommends that future studies should include the collection of information that would allow the average hours to



be determined so that rates can be based on the average hours. Future studies could also look at what other States are doing to calculate a rate for this service.

Table 33: Respite Overnight Rate Calculation

Hour	8	9	10	11	12
Hourly Pay Rate	11.27	11.27	11.27	11.27	11.27
Benefits	30.50%	30.50%	30.50%	30.50%	30.50%
Wage & Benefits	14.71	14.71	14.71	14.71	14.71
	117.66	132.37	147.07	161.78	176.49
Staff Sleep Factor	31%	39%	45%	50%	54%
	36.41	51.11	65.82	80.53	95.24
Non-Personnel Operating Cost	1.14	1.14	1.14	1.14	1.14
Indirect Administration Cost	2.79	2.79	2.79	2.79	2.79
Other Consumer Related Staff Cost	0.97	0.97	0.97	0.97	0.97
Training Time Factor	0.46	0.46	0.46	0.46	0.46
Turnover Cost	2.55	2.55	2.55	2.55	2.55
Total Calculated Rate	44.31	59.02	73.72	88.43	103.14
Rate Effective 1/1/14	58.34	58.34	58.34	58.34	58.34
Difference in Rates	(14.03)	0.68	15.38	30.09	44.80



Financial Management Services

Financial management services (FMS) are a monthly unit. This service does not fit the rate construction model used for the other services within the rate study, therefore Myers and Stauffer could only rely on a cost based approach to calculate a rate. First the costs allocated to FMS were totaled and inflation was added. We then calculated a cost per unit for each provider and the average cost per unit for all providers.

Table 34: Financial Management Services

Inflated Cost	FMS Units	
8,462	59	143.42
435,678	6,728	64.76
61,926	1,856	32.58
20,697	598	33.77
541,118	4,138	130.77
174,951	780	224.30
303,399	2,884	105.20
1,546,501	17,043	104.97

Average Cost Per Unit

115.00 Current Rate
(10.03) Difference
-9% Percent Change

Of the 59 providers that submitted cost reports there were 8 providers that reported cost and units for FMS. One of the providers was excluded from the above calculation because the cost per unit was very low compared to other providers and was considered an outlier.



Wellness Monitoring

Wellness monitoring is paid at 1 unit per 60 days and therefore does not lend itself to the hourly rate model used for other services in the rate study. As with FMS, Myers and Stauffer used the cost from the submitted surveys to calculate a rate. There were 11 providers that reported both unit and cost information for wellness monitoring. For each of these providers we totaled the cost allocated to wellness monitoring and inflated that cost from the mid-point of the survey period to the mid-point of the rate study period.

We then divided that cost by the reported units to determine the cost per unit. We excluded one provider from the average cost per unit calculation because the unit cost was over 200% higher than the next highest cost per unit.

Table 35: Wellness Monitoring

Inflated Cost	Units	
7	64	0.11
5,973	321	18.61
2,804	255	11.00
239	383	0.63
13,860	82	169.02
6,688	166	40.29
23,522	3,169	7.42
35,062	384	91.31
9	14	0.67
228	78	2.93

88,393 4,916 34.20 Average Cost Per Unit

35.00 Current Rate
(0.80) Difference
-2% Percent Change



Specialized Medical Care (RN and LPN), Supported Employment and Sleep Cycle

Specialized medical care, supported employment and sleep cycle each had 3 or fewer providers reporting units and cost for the service. A rate for each of these services is presented below based on our calculations.

Table 36: Specialized Medical Care, Supported Employment and Sleep Cycle

Rate Model Calculation	Specialized Medical Care RN	Specialized Medical Care LPN
Hourly Pay Rates	30.02	21.39
Benefits	30.50%	30.50%
Wage & Benefits	39.18	26.66
Convert to 15 Minute Unit	4	4
Calculated Rate	9.79	6.67
Current Rate	7.50	7.00
Difference	2.29	(0.33)
Percentage Difference	31%	-5%



Table 36.1: Supported Employment and Sleep Cycle

Rate Model Calculation	Supported Employment	Sleep Cycle
Hourly Pay Rates	11.27	11.27
Benefits	30.50%	30.50%
Wage & Benefits	14.71	14.71
Convert to Day Unit		8
Convert to 15 Minute Unit	4	117.66
Sleep Factor		0.31
Calculated Rate	3.68	36.47
Current Rate	3.06	30.65
Difference	0.62	5.82
Percentage Difference	20%	19%

The calculation for specialized medical care could be modified to remove the benefits if most of the RN's and LPN's providing this service are contract employees. Since information regarding the status of the nursing staff was not known for this study, the calculations are presented with a full benefits add-on to the labor cost. Additionally, the calculations for sleep cycle might also be modified to change the sleep factor percentage. As with respite overnight, Myers and Stauffer believes some additional data collection in future rate studies could provide data that would allow a more precise calculated rate for this service.



Recommendations

There are several conclusions and recommendations that can be drawn from this study. Significantly, although multiple alternatives have been presented, the study did not produce conclusive findings on which to base rate adjustments. However, it does appear that the existing rates for most DD waiver services do not reflect the current cost and market based data that were incorporated in the comparison rates calculated as part of this study. The study also suggests that the tiered rate system is not effectively reimbursing day and residential service providers for the case mix of the participants they serve. Much of existing tiered rate methodology is driven by staffing ratios calculated over 20 years ago. Although this study collected some new data on staffing trends, the amount of data collected was limited. A more in-depth study of current staffing trends would be useful. Finally, the study has highlighted that there are several additional factors that should be considered for future rates studies and before new rates are implemented.

Myers and Stauffer is not recommending that existing rates be adjusted based on the results of this study alone. In many of the rate calculations we observed that there would be significant increases or decreases from the current rates. For example, the rates calculated for Supportive Home Care and Personal Assistant Services are more than 50% above the current rates. At the other end of the spectrum, the rate determined for Targeted Case Management was more than 30% less than the current rate. Implementing such significant rate changes, especially significant decreases, could have a harmful impact on the provider network and might jeopardize access to services.

Nonetheless, the rates that were calculated based on market and cost analysis are markedly different than the current rates. Myers and Stauffer observed significant disparities of greater than 10% (up or down) for most rates including day services, residential services, supportive home care, personal assistant services, targeted case management, and respite overnight. We recommend that further analysis be conducted before changes are made to these rates.

Perhaps the most significant conclusion from this study is that the tiered rate system for day and residential services does not appear to be effectively reimbursing providers for the case mix of their participants. The staffing survey that was incorporated into the study showed that the staffing levels between the tiers are less than what is reflected by the current rates. The existing rates for Tier 4 and Tier 5 consistently fall far below the rates calculated from current market and staffing data. This was also true when historical staffing data is applied. The existing rates for the other tiers are closer to the calculated market rates but in many cases still vary considerably. This situation creates an incentive for providers to serve more Tier 1, 2 and 3 participants as opposed to Tier 4 and 5 beneficiaries. This notion is consistent with the distribution of clients across the tiers, with less than 25% of day and residential clients falling into Tiers 4 and 5 combined.

Myers and Stauffer recommends that the current tier system be re-evaluated and perhaps eliminated. Staffing ratios are a key component to the calculation of the day and residential services rates. However, the current rates do not reflect either the historical staffing ratios that were used to establish initial day and residential rates, or the staffing ratios determined from data collected for this study. This is a major reason that we concluded that the current tiered system



rates fail to accurately reflect case mix. However, we do not recommend that these rates be updated to reflect the staffing ratios we obtained through the current survey. The amount of staffing data collected was limited since providers were not required to participate in this study and only participated voluntarily. Furthermore, since providers made their own determinations whether they would participate in the staffing survey, the staffing data was not collected in a random manner and cannot be used to determine statistically significant findings. We recommend that a more thorough collection of staffing data be conducted in order to more accurately determine staffing ratios to fully evaluate the rates for a tiered reimbursement system.

Concerns about the tiered rate system are amplified for the super tier rates. Historical staffing ratios produce super tier rates that have an inverse relationship to the tier levels and we were able to collect very little new data related to the super tiers. Therefore we recommend that in-depth reviews or audits of expenses for all individuals approved for both individualized and super tier rates be conducted annually.

There are other factors that this rate study did not address which Myers and Stauffer recommends be considered for future analysis and/or before new rates are implemented. This would include consideration of inflationary factors that may impact providers. Our recommendation to accommodate increasing costs would be to develop and apply an appropriate annual adjustment to the rates that estimates the inflation the provider community will experience during the rate period. The projection requires the recognition that the inflation rate varies over time. Many states use projections of inflation from a published historical economic index. The more widely used indices include:

- *The Consumer Price Index – Urban (CPI-U)* This index is generally viewed as measuring the cost of living. The Bureau of Labor Statistics (BLS) calculates the index on a monthly basis. The CPI-U attempts to measure changes in prices paid by urban consumers for a constant or fixed bundle of goods and services (market basket) from a base period to the present.
- *The Data Resources, Inc. (DRI)/ Health Care Costs: National Forecast Tables.* This index is intended to measure changes in input prices of certain defined costs. The index is published for both historical and forecasted values and is rebased every quarter.

Another factor that should be considered for future rate studies is the impact of managed care on the DD waiver program. This change in the way that the waiver program is managed may alter service utilization and impact the distribution of certain fixed costs. There may also be other unforeseeable effects of managed care that could impact the waiver program. We recommend that future rate studies include an analysis of the impact of managed care.



Appendix A: Advisory Committee Members

Karen Edwards
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P.O. Box 310
Hays, KS 67601

Gail Herndon
OCCK, Inc.
P.O. Box 1160
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Paola, KS 66071

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Starkey, Inc.
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Doug Wisby
Multi Community Diversified Services
2107 Industrial Drive
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Appendix B: Data Collection Tool



KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES
RATE STRUCTURE REVIEW DATA COLLECTION INSTRUMENT FOR COMMUNITY DEVELOPMENTAL
DISABILITY ORGANIZATIONS AND COMMUNITY SERVICE PROVIDERS

[01] Assigned Number	<input type="text"/>	[02] Employer's Federal ID Number	<input type="text"/>
[03] Report Period (From)	<input type="text"/>	(To)	<input type="text"/>
[04] FYE for Tax Reporting	<input type="text"/>		

Type of Provider (Check One)			
<input type="checkbox"/> [05] CSP Only		<input type="checkbox"/> [06] Financial Management Services	
<input type="checkbox"/> [07] CDDO and Service Provider		<input type="checkbox"/> [6.1] Targeted Case Management Only	
[08] Name of Provider Organization			
<input type="text"/>			
[09] Mailing Address (Street or P.O. Box)	<input type="text"/>	[10] City	State
			Zip Code
		County	<input type="text"/>

Type of Control (Check One)					
Proprietary For-Profit		Voluntary Non-Profit		Government	
<input type="checkbox"/> [11] Sole Proprietorship		<input type="checkbox"/> [15] Corporation		<input type="checkbox"/> [17] State	
<input type="checkbox"/> [12] Partnership		<input type="checkbox"/> [16] Other (Specify)		<input type="checkbox"/> [18] County	
<input type="checkbox"/> [13] Corporation - Profit				<input type="checkbox"/> [19] City	
<input type="checkbox"/> [14] Other (Specify)	<input type="text"/>			<input type="checkbox"/> [20] Other (Specify)	<input type="text"/>

Declaration by owner and preparer: I declare that I have examined this financial report, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, complete, and in agreement with related books and federal income tax return except as explained in the reconciliation. I understand that this information is being submitted for the purpose of reviewing payment rates pursuant to K.S.A. 39-1806 (a)(3).

[21] Name of Authorized Person	<input type="text"/>	[22] Title/Position	<input type="text"/>
[23] Email Address	<input type="text"/>		
[24] Signature of Authorized Person	<input type="text"/>	[25] Date	<input type="text"/>
		[26] Telephone Number	<input type="text"/>
[27] Name of Preparer	<input type="text"/>	[28] Title/Position	<input type="text"/>
[29] Email Address	<input type="text"/>		
[30] Address of Preparer (Street or P.O. Box)	<input type="text"/>	City	State
			Zip Code
[31] Signature of Preparer	<input type="text"/>	[32] Date	<input type="text"/>
		[33] Telephone Number	<input type="text"/>

Provider Data - Page 1 of 1



KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
RATE STRUCTURE REVIEW DATA COLLECTION INSTRUMENT FOR COMMUNITY DEVELOPMENTAL
DISABILITY ORGANIZATIONS AND COMMUNITY SERVICE PROVIDERS

Provider Number: 0

Survey Questions

Staff Wages

The rate review study is examining the "system of employee compensation competitive with local conditions" K.S.A. 39-1806 (a) (3). Part of this review is to review salary information. Please provide the starting salary and average (mean) salary, for each position listed.

Please report current annual salary/wage information.

	Starting Salary	Average Salary
[Q1] Direct Care Staff		
[Q2] Direct Care Supervision		
[Q3] Clinical Staff		
[Q4] Other Staff		
[Q5] Targeted Case Managers		
[Q6] Administrative Staff		

Please report current annual benefits and worker's compensation information

	Benefits	Worker's Compensation
[Q7] Direct Care Staff		
[Q8] Direct Care Supervision		
[Q9] Clinical Staff		
[Q10] Other Staff		
[Q11] Targeted Case Managers		
[Q12] Administrative Staff		

Leave Time

Please report the standard or average annual leave time for each position listed.

	Vacation	Sick	Holiday
[Q13] Direct Care Staff			
[Q14] Direct Care Supervision			
[Q15] Clinical Staff			
[Q16] Other Staff			
[Q17] Targeted Case Managers			

Other Factors

Please report other coverage factors (this can be the current period or survey period)

[Q18] On average how many of the following days occur per year	Client Sick Days	Snow Days	Holiday Day Program Closed
[Q19] What is the average span of control for the direct personnel supervision? (Number of direct service staff under their supervision)	Span of Control		

Comments

Large empty yellow box for comments.



KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES
RATE STRUCTURE REVIEW DATA COLLECTION INSTRUMENT FOR COMMUNITY DEVELOPMENTAL
DISABILITY ORGANIZATIONS AND COMMUNITY SERVICE PROVIDERS

Provider Number: _____

SCHEDULE A - STATISTICAL DATA

Residential Services					
Adult Residential Services - HCBS Waiver Only (1 Unit = 1 Day)	Line #	Procedure Code	Unit of Service	Total Units	Total Number of Consumers Served *
Tier 1					
Regular Days	101	T2016	1 unit = 1 day		
Super Tier Rate Days	102	T2016	1 unit = 1 day		
Tier 2					
Regular Days	103	T2016	1 unit = 1 day		
Super Tier Rate Days	104	T2016	1 unit = 1 day		
Tier 3					
Regular Days	105	T2016	1 unit = 1 day		
Super Tier Rate Days	106	T2016	1 unit = 1 day		
Tier 4					
Regular Days	107	T2016	1 unit = 1 day		
Super Tier Rate Days	108	T2016	1 unit = 1 day		
Tier 5					
Regular Days	109	T2016	1 unit = 1 day		
Super Tier Rate Days	110	T2016	1 unit = 1 day		
Total Regular Days	111			-	-
Total Super Tier Rate Days	112			-	-
Total Waiver Consumer Days	113			-	-

Children's Residential Services - HCBS Waiver Only	Line #	Total Units	Total Number of Consumers Served
Total Waiver Consumer Days	114		

Day Services - HCBS Waiver Only Report Full Days (1 unit = 15 minutes)					
	Line #	Procedure Code	Unit of Service	Total Units	Total Number of Consumers Served*
Tier 1					
Regular	115	T2021	1 unit = 15 minutes		
Super Tier Rate	116	T2021	1 unit = 15 minutes		
Tier 2					
Regular	117	T2021	1 unit = 15 minutes		
Super Tier Rate	118	T2021	1 unit = 15 minutes		
Tier 3					
Regular	119	T2021	1 unit = 15 minutes		
Super Tier Rate	120	T2021	1 unit = 15 minutes		
Tier 4					
Regular	121	T2021	1 unit = 15 minutes		
Super Tier Rate	122	T2021	1 unit = 15 minutes		
Tier 5					
Regular	123	T2021	1 unit = 15 minutes		
Super Tier Rate	124	T2021	1 unit = 15 minutes		
Total Regular	125			-	-
Total Super Tier Rate	126			-	-
Total Waiver Consumer	127			-	-



KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES
RATE STRUCTURE REVIEW DATA COLLECTION INSTRUMENT FOR COMMUNITY DEVELOPMENTAL
DISABILITY ORGANIZATIONS AND COMMUNITY SERVICE PROVIDERS

Provider Number:

SCHEDULE A - STATISTICAL DATA

		Procedure Code	Unit of Service	Total Units	Total Number of Consumers Served
Financial Management Services	128	T2040U2	1 unit = 1 month		
Personal Assistant Service	129	T1019	1 unit = 15 minutes		
Supportive Home Care	130	S5125	1 unit = 15 minutes		
Respite Overnight	131	H0045	1 unit = 1 day		
Supported Employment	132	H2023	1 unit = 15 minutes		
Sleep Cycle Support	133	T2025	1 unit = 1 day		
Specialized Medical Care (RN)	134	T1000TD	1 unit = 15 minutes		
Specialized Medical Care (LPN)	135	T1000TD	1 unit = 15 minutes		
Medical Alert Rental	136	S5161	1 unit = 1 month		
Targeted Case Management	137	T1017	1 unit = 15 minutes		
Wellness Monitoring	138	S5190	1 unit per 60 days		

* Can report using an average per month



**KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES
RATE STRUCTURE REVIEW DATA COLLECTION INSTRUMENT FOR COMMUNITY DEVELOPMENTAL
DISABILITY ORGANIZATIONS AND COMMUNITY SERVICE PROVIDERS**

Round all dollar amounts to the nearest whole dollar.

Provider Number:

SCHEDULE B - REVENUE STATEMENT

	Line #	Per Books or Federal Tax Return
DD HCBS Waiver Revenue:		
Residential Services HCBS		
Adult Residential Services	201	
Children's Residential Services	202	
Day Services HCBS	203	
Financial Management Services	204	
Personal Assistant Services	205	
Supportive Home Care	206	
Respite Overnight	207	
Supported Employment	208	
Sleep Cycle Support	209	
Specialed Medical Care (RN)	210	
Specialed Medical Care (LPN)	211	
Medical Alert Rental	212	
Wellness Monitoring	213	
Targeted Case Management	214	
DD Program State General Funds:		
Residential Services	215	
Day Services	216	
Other	217	
Other	218	
All Other Revenue Sources:	219	
Totals	220	\$0

Note: If waiver revenue can not be provided by service type, please report revenues in total in any line between 201 and 214. Waiver revenue does need to be reported separately from all other non-waiver revenues reported on line 219



KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES
RATE STRUCTURE REVIEW DATA COLLECTION INSTRUMENT FOR COMMUNITY DEVELOPMENTAL
DISABILITY ORGANIZATIONS AND COMMUNITY SERVICE PROVIDERS

Round all amounts to the nearest whole dollar. Expense Number

SCHEDULE C - EXPENSE STATEMENT

Cost Components	Line #	Total Hours	Percentage of Federal Tax Return	Allocation Base Cost (Sch.E)	Resident Services	Day Services	Supportive Home Care (Agency Directed)	Financial Management Services	Person Assessment Services (Self Directed)	Respite Overnight	Supported Employment	Deep Cycle Support	Geriatric Home Care (RN)	Specialized Medical Care (LPN)	Medical Assist Rental	Targeted Case Management	Wellness Monitoring	COOD Administration	Other
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Indirect Administration Cost Center																			
Administrative Salaries	501				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administrative Benefits	502				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COOD Administrative Costs	503																		
All Other Non-Program Related Administrative Costs	504																		
All Other Program Related Administrative Costs	505				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Indirect Administration Cost Center	500	-	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consumer Related Cost Center																			
Non-Clinical Direct Service Staff Salary / Wages	307				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Clinical Direct Service Staff Overtime Salary / Wages	308				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Clinical Direct Service Staff Benefits	309				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Direct Personnel Supervision Salary / Wages	310				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Direct Personnel Supervision Overtime Salary / Wages	311				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Direct Personnel Supervision Benefits	312				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clinical Direct Service Staff Salary / Wages	313				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clinical Direct Service Staff Overtime Salary / Wages	314				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clinical Direct Service Staff Benefits	315				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Staff Salary / Wages	316				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Staff Overtime Salary / Wages	317				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Staff Benefits	318				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Targeted Case Management Wages	319															\$0	\$0	\$0	\$0
Targeted Case Management Overtime	320															\$0	\$0	\$0	\$0
Targeted Case Management Benefits	321															\$0	\$0	\$0	\$0
Program Support Costs	322				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staff Training Costs (per Hour)	323				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Other Consumer Related Costs	324				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Nonprogram costs (non-USD waived)	325																		\$0
Total Consumer Related Cost Center	300	-	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Risk Management Cost Center																			
Risk Management Costs	326				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Other Risk Management	327				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Risk Management Cost Center	320		\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Schedule C
Page 7 of 11



APPENDIX B: DATA COLLECTION TOOL

Rate Structure Review
April 22, 2016

KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES
RATE STRUCTURE REVIEW DATA COLLECTION INSTRUMENT FOR COMMUNITY DEVELOPMENTAL
DISABILITY ORGANIZATIONS AND COMMUNITY SERVICE PROVIDERS

Round all amounts to the nearest whole dollar

Expense Number

Cost Components	Line	Total Hours	Per Space or Federal Tax Return	Allocation Base Cost (Sch E)	Resident Services	Day Services	Supportive Home Care Agency (Sch E)	Financial Management Services (Sch E)	Personnel Assessment Services (Sch E)	Respite Overnight	Supported Employment	Sleep Cycle Support	Geriatric Medical Care (EM)	Specialized Medical Care (LFB)	Mental Health	Targeted Case Management	Wellness Monitoring	CDDO Administration	Other	
																				1
Facility Costs for Day Services																				
Rent - Real Estate	330					\$0														\$0
Utilities/Tran/Cable/Phone	331					\$0														\$0
Depreciation/Facility Costs for Day Services	332					\$0														\$0
Total Facility Costs for Day Services Cost Center	333	0	0	0		\$0														\$0
Residential Room and Board Costs																				
Food/Non-Food Supply Costs	334					\$0														\$0
Rent - Real Estate	335					\$0														\$0
Utility Taxes	336					\$0														\$0
Depreciation	337					\$0														\$0
Repairs and Maintenance	338					\$0														\$0
All Other Residential Room and Board	339					\$0														\$0
Total Residential Room and Board Cost Center	340	0	0	0		\$0														\$0
Other Costs																				
Rat Debt, Lobbying, Penalties etc	341					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transportation - Administrative	342					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transportation - Consumer	343					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Other	344					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL OTHER EXPENSE	345	0	0	0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES *	346																			

The above allocations in columns 4 through 18 may be different due to rounding.

* Total of Line 346, Column 2 should equal total expenses per books or federal tax return. ATTACH A DETAILED WORKING TRIAL BALANCE. PLEASE PROVIDE ADDITIONAL ALLOCATION WORKPAPERS AS NEEDED.

Schedule C
Page 9 of 11



KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES
RATE STRUCTURE REVIEW DATA COLLECTION INSTRUMENT FOR COMMUNITY DEVELOPMENTAL
DISABILITY ORGANIZATIONS AND COMMUNITY SERVICE PROVIDERS

Round all amounts to the nearest whole number. Provider Number: _____

SCHEDULE D - ALLOCATION OF STAFF HOURS TO SERVICE

Line #	Position / Title	Total Hours 1	Allocation Base Code (Sub E) 2	Residential Services 3	Day Services 4	Supportive Home Care 5	Financial Management Services 6	Personal Assistant Services 7	Respite Overnight 8	Supported Employment 9	Sleep Cycle Support 10	Specialized Medical Care (RN) 11	Specialized Medical Care (LPN) 12	Medical Alert Rental 13	Targeted Case Management 14	Wellness Monitoring 15	CDDO Administration 16	Other 17	
401	Administrative Staff	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
402	Non-Clinical Direct Service Staff	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
403	Clinical Personnel Supervisors	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
404	Clinical Direct Service Staff	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
405	Other Consumer Related Staff	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
406	Staff Training	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
407	TOTAL																		

* The hours on this schedule should equal the hours reported on Schedule C, Column 1.

Schedule D
Page 9 of 11



KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES
RATE STRUCTURE REVIEW DATA COLLECTION INSTRUMENT FOR COMMUNITY DEVELOPMENTAL
DISABILITY ORGANIZATIONS AND COMMUNITY SERVICE PROVIDERS

Facility name: Facility number:

SCHEDULE E - ALLOCATION BASIS

Allocation Base	Line #	Allocation Base Code	TYPE	Residential Services	Day Services	Supportive Home Care	Financial Management Services	Personal Assistant Services	Respite Overnight	Supported Employment	Sleep Cycle Support	Specialized Medical Care (RN)	Specialized Medical Care (LPN)	Medical Alert Rates	Targeted Case Management	Wellness Monitoring	CCDD Administration	Other
Hours of Service	001	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative Hours	002	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Direct Service Staff Hours	003	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel (Specify)	004	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dishes (Specify)	005	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Schedule E
Page 10 of 11



KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES
RATE STRUCTURE REVIEW DATA COLLECTION INSTRUMENT FOR COMMUNITY DEVELOPMENTAL
DISABILITY ORGANIZATIONS AND COMMUNITY SERVICE PROVIDERS

Provider Number:

Please note, one of the two sections below should be completed (not both)

Line #	Total Number of Employees on the First day of each Month														Average for the Year	
	Sch C Line No.	Job Classification	January	February	March	April	May	June	July	August	September	October	November	December		Total
600	301	Administrative Staff													0	0.00
601	307	Non-Clinical Direct Service Staff													0	0.00
602	310	Direct Personnel Supervision													0	0.00
603	313	Clinical Direct Service Staff													0	0.00
604	316	Other Consumer Related Staff													0	0.00
605		All Other (Please Specify)													0	0.00

Line #	Total Number of Terminations Each Month														Average Turnover Rate	
	Sch C Line No.	Job Classification	January	February	March	April	May	June	July	August	September	October	November	December		Total
606	301	Administrative Staff													0	N/A
607	307	Non-Clinical Direct Service Staff													0	N/A
608	310	Direct Personnel Supervision													0	N/A
609	313	Clinical Direct Service Staff													0	N/A
610	316	Other Consumer Related Staff													0	N/A
611		All Other (Please Specify)													0	N/A

If it is not possible to breakout the number of employees and terminations by month, please complete the yearly amounts below

Line #	Sch C Line No.	Job Classification	Number of Employees at Beginning of Year	Number of Employees at End of Year	Number of Terminations during the Year
612	301	Administrative Staff			
613	307	Non-Clinical Direct Service Staff			
614	310	Direct Personnel Supervision			
615	313	Clinical Direct Service Staff			
616	316	Other Consumer Related Staff			
617		All Other (Please Specify)			



Appendix C Data Collection Tool Instructions



KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES
RATE STRUCTURE REVIEW DATA COLLECTION INSTRUMENT FOR HOME AND COMMUNITY
BASED SERVICES - INTELLECTUAL AND DEVELOPMENTALLY DISABLED

RATE STUDY COLLECTION TOOL GENERAL INSTRUCTIONS

WHAT IS THE PURPOSE

This tool is to collect service and expenditure data that will be used in an independent review/analysis of the rate structures for intellectual and developmental disability services as required by K.S.A. 39-1806 (a) (3).

WHO SHOULD COMPLETE THE FORM

All CSP providing service to more than 5 consumers.

WHICH SCHEDULES SHOULD BE COMPLETED

Each CSP should complete all applicable schedules with their entity's statistical and cost data.

HOW MUCH DETAIL IS NEEDED

We strongly encourage all providers to complete the tool with as much information that is available or attainable with a reasonable effort. For analyses purposes, the most important areas to include detailed information are: units of service, hours, and salary information including benefits, wages and overtime.

HOW IS THE TOOL FORMATED

The tool is provided as an EXCEL workbook, containing formulas to simplify the completion process. The workbook is organized with separate tabs or worksheets for each schedule. These include "Provider Data", schedules, Survey Questions, tabs "A – E", and a Turnover schedule.

Data entry fields are highlighted in yellow. No data should be entered in fields that are grayed out. When dividing costs among service types or service settings, either direct costing or an allocation formula can be used. Should an allocation method be used, the spreadsheet contains the formulas for performing the allocation. If direct costing is used, this data must be entered in each field. The fields using either an allocation formula or direct costing are highlighted in blue and will be explained in detail later in the instructions.

Check figures have been added to some of the schedules to aid in completion of the tool. They are located in the far right columns of the spreadsheets. They will automatically keep track of allocation totals. An error message will appear until the allocation totals agree with the total columns. **Please round all amounts to the nearest dollar.**



WHAT IS THE SUGGESTED ORDER FOR COMPLETION

To obtain maximum benefit from the workbook and formulas contained in it, we recommend you proceed through the data entry in the following order:

Complete the Provider Data, Survey Questions and Schedule A

If direct costing for all services *is not* going to be used, complete Schedule E to establish the allocation basis

Complete Schedules B, C and D

Complete the Turnover Schedule

WHAT IS THE TIMEFRAME FOR COMPLETION

The data collection tool must be for a period of 12 consecutive months for the fiscal year ending 2014. For new providers not having 12 months of operation, the data collection tool should cover the period from the beginning date of operation through your fiscal year ended 2014.

WHEN IT IS COMPLETED

Please send the completed EXCEL workbook electronically to kscost@mslc.com or diskette or CD along with a signed hard copy of the Provider Data signature page (or the completed hard copy) to the following address on or before September 15, 2015.

Myers and Stauffer LC
1131 SW Winding Road, Suite C
Topeka, KS 66615
Attention: Robyn Pugh

WHAT ADDITIONAL INFORMATION IS NEEDED

Include one copy of the most current audited financial statements coinciding with the report period of this data collection tool and a detailed working trial balance covering your fiscal year end 2014.

WHAT IF THERE ARE QUESTIONS ABOUT COMPLETION

All inquires on completion of the tool should be directed to Robyn Pugh or Dave Halferty at 785-228-6700 or 800-255-2309.



DATA COLLECTION TOOL LINE-BY-LINE INSTRUCTIONS

Provider Data

Lines 01 through 04

Assigned Number You will not need to enter an assigned number. The assigned number will be entered after the completed report is received by Myers and Stauffer.

Report Period The report period has been designated as your fiscal year ended 2014 (e.g. if your fiscal year end is June 30, 2014, the beginning and ending dates would be July 1, 2013 and June 30, 2014 respectively). For those providers that were not in operation for the full 12 months, the data collection tool will reflect revenues and expenses for the beginning date of operation through your fiscal year ended 2014.

Lines 05 through 09

Type of Provider Check only one box

Lines 10 through 19

Type of Control Check only one box. There are lines provided to specify other if needed.

Declaration by owner and preparer After adequate review of the completed form, the data collection tool must be signed by a responsible person having authorization from the controlling body (board, owner, etc.) of the provider (entity) to make such representations. The data collection tool submitted must contain original signatures. If submitting the data collection tool electronically, please scan and email the Provider Data page and submit with diskette or CD. The existence of a preparer shall be considered authorization from the provider to discuss the data collection tool with the preparer. Any instructions to the contrary must be in writing from the provider.

Survey Questions

This schedule will allow us to include other factors that will impact the building of the rate or rate components. Completion of this schedule is critical to building a rate structure that is complete and includes factors beyond just the salary/wages of direct staffing.

Note: Questions 1 -12 only need to be completed if there are circumstances that would cause salaries/wages to be significantly different than the salaries/wages reported on Schedule C and the current year (FY 2015). The salaries/wages reported on Schedule C will be inflated.

Lines Q1 - Q6 If applicable report the current starting salary and average salary for the positions listed.

Lines Q7 - Q12 If applicable report the current benefits and worker's compensation information.

Lines Q13 - Q17 Please report the average (or standard) leave time per year for the positions and



categories listed (vacation, holiday and sick). This information will be used as a factor within the direct service component of the rate structure.

Line Q18 Please report the average days that must be covered due to client sick days, snow days and holidays when day service is closed. This can be for the current time period or for the survey period. If these days are not specifically tracked an estimate may be used.

[Q19] Please report on average how many direct service staff were supervised by the direct personnel supervisor during the survey period.

Comments This area can be used to provide any other information that you want to be considered as part of the rate study.

Schedule A -- Units of Service/Statistical Data

Lines 101 through 110 Residential Services HCBS Waiver Only - Unit of Service - Report the Total Units for the survey period for each line. Residential Services is defined by the department and is 1 unit = 1 day. The number of units should be based on census logs maintained by the provider and reported by tier level. Regular rate and super-tier consumers should be included in this section by tier level.

In addition, please report the Total Number of Consumers Served for the survey period by tier level. It is understood that consumers may move between the tiers and that it may be necessary to provide an estimate by calculating an average per month.

Lines 111 through 113 Totals - The totals are calculated automatically.

Lines 114 Children's Residential Services HCBS Waiver - The total number of consumer days should be based on census logs maintained by the provider. Breakout by tier level is not necessary. Also, please report the total number of consumers served.

Lines 115 through 124 Day Service Days - The number of units should be reported by tier level (1 unit = 15 minutes). Total HCBS waiver units should include both the regular rate and super-tier. Also report the number of total consumers served during the survey period. As with the residential services, total consumer days may be estimated by average per month if necessary.

Lines 125 through 127 Totals - The totals are calculated automatically

Line 128 - Financial Management Services - Report the number of units and total number of consumers served (1 unit = 1 month).

Line 129 - Personal Assistant Services (Self Direct) - Report the number of units and total consumers served during the survey period (1 unit = 15 minutes).

Lines 130 Supportive Home Care - Report the number of units of service and the total number of consumers served (1 unit = 15 minutes).

Line 131 Respite Overnight - Report the number of units of service and the total number of consumers



served (1 unit = 1 day).

Line 132 Supported Employment - Report the number of units served and the total number of consumers served (1 unit = 15 minutes).

Lines 133 Sleep Cycle Support - Report the number of units of service and the total number of consumers served (1 unit = 1 day).

Line 134 Specialized Medical Care (RN) - Report the number of units served and the total number of consumers served (1 unit = 15 minutes).

Line 135 Specialized Medical Care (LPN) - Report the number of units served and the total number of consumers served (1 unit = 15 minutes).

Line 136 - Medical Alert Rental - Report the number of units and total number of consumers served (1 unit = 1 month).

Line 137 Targeted Case Management - Report the number of units served and the total number of consumers served (1 unit = 15 minutes).

Line 138 - Wellness Monitoring - Report the number of units and total number of consumers served (1 unit = 60 days).

Schedule B – Revenue Statement

Lines 201 through 214 – Revenues by service type should be reported on the appropriate lines. If revenues cannot be identified by service category, report all waiver revenue on line 201.

Other Lines 215 through 219 – Other lines are included to report “other” revenue.

To establish the allocation basis to be used in the following schedules, please go to the instructions for Schedule E page 9 now. Once you’ve established the allocation basis, please return and complete the rest of the data collection tool.

Schedule C – Expense Statement

Column 1 Total Hours - The hours worked column relate to salary, wage and contractual amounts paid for services. This information should come from actual payroll time sheets, contractual invoice billings, and/or other records.

Column 2 Per Books or Federal Tax Return - All personnel costs including wages, overtime and benefits should be entered on the appropriate expense lines of column 2 for each cost component category. All other costs within the cost component category should be included in the "Other" line. Reported costs should come from the general ledger.

Columns 3 through 18 Allocations - The "Allocation Base Code" column and the columns to the right allow you to allocate costs to the services that benefited from the cost. The "Allocation Base Code" column should contain the numeric code of the applicable allocation



basis from Schedule E. More than one allocation base code may be used to allocate costs. (Example: The direct cost may be maintained for administrative salaries. So no allocation base would be entered. While consumer related costs may be allocated based on the ratio of units of service, code 1 on Schedule E would be entered in column 3). The survey will automatically allocate costs based on the code entered. If you will be directly assigning certain costs those must be entered manually in applicable service columns. In addition if you want to allocate some of the cost on a cost line and also want to directly assign some of the costs from that same line, you will have to calculate and enter those amounts manually.

Expense Lines (General): All personnel costs should be reported on the designated expense lines. Within each cost component category there are some expense lines where very specific costs should be reported (for example: staff training costs in the consumer related cost category), otherwise costs that are not personnel should be reported in the "All Other" line.

All Employee Benefit Lines - Allocate employee benefits to the benefit lines in each cost component category based on the percentage of gross salaries or the actual amount of expense incurred. This can include: health insurance, dental insurance, retirement contributions made by provider, life insurance, payroll taxes and worker's compensation.

Indirect Administration Cost Center

Line 301 Administrative Salaries – Report salaries for all administrative type staff including the administrator such as bookkeeper, payroll clerk, and receptionist.

Line 302 Administrative Benefits - Allocate employee benefits associated with administrative employees.

Line 303 CDDO Administrative Costs – This line is for CDDO's administrative expense. It should be directly assigned to columns 17 and/or 18 only.

Line 304 All Other Non-Program Related Administrative Costs – This line is for all other administrative costs that do not relate to the waiver program and therefore should not be allocated to the program. These costs should only be allocated to columns 17 and/or 18.

Line 305 All Other Program Related Administrative Costs - Report all other administrative costs. This is a "catch all" line that will include all other administrative costs that are not personnel or non-program related.

Line 306 Total - The totals are calculated automatically

Consumer Related Cost Center

Line 307 Non-Clinical Direct Service Staff Salary/Wages – Report the salaries/wages of all employees who provide direct front-line services to the consumers.

Line 308 Non-Clinical Direct Service Staff Overtime Salary/Wages – Report overtime salaries and wages of all employees who provide direct front-line services to the consumers.



Line 309 Non-Clinical Direct Service Staff Employee Benefits – Allocate employee benefits associated with all employees who provide direct front-line services to the consumers.

Line 310 Direct Personnel Supervision – Report the salaries/wages of all employees who provide direct supervision and day to day management of the direct service staff.

Line 311 Direct Personnel Supervision Overtime Salary/Wages – Report overtime salaries and wages for all employees who provide direct supervision and day to day management of the direct service staff.

Line 312 Direct Personnel Supervision Employee Benefits – Allocate employee benefits associated with all employees who provide direct supervision and day to day management of direct service staff.

Line 313 Clinical Direct Service Staff Salary/Wages - Report the salaries/wages of all clinical employees who provide direct front-line services to the consumers.

Line 314 Clinical Direct Service Staff Overtime Salary/Wages - Report overtime salaries and wages for all clinical employees who provide direct front-line services to the consumers.

Line 315 Clinical Direct Services Staff Benefits - Allocate employee benefits associated with all employees who provide direct front-line services to the consumers.

Line 316 Other Staff Salary/Wages – Report salaries for all other employees who provide direct services to the consumer.

Line 317 Other Staff Overtime Salary/Wages – Report the overtime salaries and wages for all other staff, which provide direct services to the consumer.

Line 318 Other Staff Employee Benefits – Allocate employee benefits associated with all other employee, which provide direct consumer services.

Line 319 Targeted Case Management Wages – Report wages for Targeted Case Managers.

Line 320 Targeted Case Management Overtime – Report overtime wages for Targeted Case Managers.

Line 321 Targeted Case Management Benefits – Allocate employee benefits associated with all Targeted Case Managers.

Line 322 - Program Support Costs - These are costs centers that provide support to direct services/programs such as quality improvement, nursing costs, costs related to program directors, etc.

Line 323 - Staff Training - Report costs to keep direct service staff and their supervisors current to meet quality standards, accreditations requirements, program changes and professional development. The expenses may include conference expenses, the cost of developing and implementing an internal training curriculum or hiring a training consultant.



Please Note: The hours of training should be reported in column 1.

Line 324 All Other Consumer Related Costs - Report all other miscellaneous program cost not reported on the above lines.

Line 325 Non-Program Related Costs (non IDD waiver) - Report any consumer related costs that are not associated with the waiver program. These cost can only be allocated to column 18 so that they will not be included in the rate analysis.

Line 326 Total - The totals are calculated automatically

Risk Management Cost Centers

Line 327 Risk Management Costs – Report all risk management costs such as; security alarms, fire alarm monitoring, fire extinguishers, sprinklers, drivers safety training, employee drug testing, first aid supplies, CPR instruction, etc. All costs that are necessary to meet life safety code requirements.

Line 328 All Other Risk Management – Report any other risk management costs not reported on line 324.

Line 329 Total - The totals are calculated automatically

Facility Cost for Day Services

Line 330 Rent – Real Estate – Report rent and or mortgage payments associated with Day Service facilities.

Line 331 Utilities/Trash/Cable – Report expenses for gas, water, electricity, heating oil, trash, phone and cable television expenses associated with providing Day Services only.

Line 332 All Other Facility Costs for Day Services - Report all other facility cost associated with Day Services.

Line 333 Totals - The totals are calculated automatically

Residential Room and Board Costs

Line 334 Food/Non Food Supply Costs – Report the cost of raw food and non-food kitchen supplies.

Line 335 Rent – Real Estate – Report rent and or mortgage payments associated with Residential Services only.

Line 336 Property Taxes - Report real and personal property taxes paid during the survey period.



Line 337 Depreciation – Report the depreciation expense for building and equipment associated with Residential Services only.

Line 338 Repairs and Maintenance – Report all maintenance and repairs expense

Line 339 All Other Residential Room and Board - Report all other facility cost associated with Residential Services.

Line 340 Totals - The totals are calculated automatically

Other Costs

Line 341 Bad Debts, Lobbying, Penalties etc. – Report all amounts written off as uncollectible.

Line 342 Transportation Administrative – Report transportation costs for vehicle operation (gas, oil, tires, licenses) insurance, vehicle interest or lease, maintenance/repair, vehicle depreciation, and staff-reimbursed transportation.

Line 343 Transportation – Consumer – This line may be used to break-out program related transportation cost from transportation services, if you have proper accounting and recording keeping to support segregation of both types of transportation costs.

Lines 344 All Other - Report all other non-allowable costs such as; fund raising, income taxes, consumer wages and benefits, vending, consumer purchases, donations work activity production costs, payments to HUD, etc.

Lines 345 and 346 Totals - The totals are calculated automatically

Schedule D Allocation of Staff Hours to Service

Schedule D is used to allocate the staff hours reported on Schedule C, Column 1 to the service type in which the hours were spent. You will complete column 2 with the selected allocation code from Schedule E that best allocates the hours to each setting. For example Administrative Staff could be allocated using code 2 “Administrative Hours”.

Schedule E – Allocation Basis On this schedule, you will report the statistics that will be used to calculate the allocation ratios between service settings (e.g. Residential, Day Service, Financial Management Services, Personal Assistant Services, Supported Employment, etc.). Allocation bases that are acceptable for cost reporting purposes are those bases that are:

- Relevant -- The allocation base must have some significant relationship to the cost report line in question.
- Reliable -- The allocation base must be a faithful representation that is verifiable and unbiased.



There are three different allocation basis presented on this schedule (units of service, administrative hours and direct service hours) you only need to complete the lines for the allocations you want to use in distributing costs. If you are using direct costing you will not need to complete this schedule. There are two additional lines to use if a different allocation basis is preferred.

Staff Turnover Options Schedule

This schedule has two options for reporting staff turnover. The first option gives employee numbers and terminations by month. The second option reports only the number of employees at the beginning and end of the year and the total number of terminations during the year. Either option can be completed.

Staff Turnover First Option (Includes monthly detail)

Line 600 - Report the number of administrative staff on the first day of each month for the survey period.

Line 601 - Report the number of non-clinical direct service staff on the first day of each month for the survey period.

Line 602 - Report the number of direct personnel supervision on the first day of each month for the survey period.

Line 603 - Report the number of clinical direct care staff on the first day of each month for the survey period.

Line 604 - Report the number of all other consumer related staff on the first day of each month for the survey period.

Line 605 - Report the number of any other staff on the first day of each month for the survey period (if applicable).

Line 606 - Report the number of administrative staff terminated each month for the survey period.

Line 607 - Report the number of non-clinical direct service staff terminated each month for the survey period.

Line 608 - Report the number of direct personnel supervision terminated each month for the survey period.

Line 609 - Report the number of clinical direct service staff terminated each month for the survey period.

Line 610 - Report the number of all other consumer related staff terminated each month for the survey period.



Line 611 - Report the number of any other staff terminated each month for the survey period (if applicable).

Staff Turnover Second Option (Yearly Totals Only)

Line 612 - Report the number of administrative staff at the beginning of the year, the number of staff at the end of the year and the number of terminations for the year (survey period).

Line 613 - Report the number of non-clinical direct service staff at the beginning of the year, the number of staff at the end of the year and the number of terminations for the year (survey period).

Line 614 - Report the number of direct personnel supervision staff at the beginning of the year, the number of staff at the end of the year and the number of terminations for the year (survey period).

Line 615 - Report the number of clinical direct service staff at the beginning of the year, the number of staff at the end of the year and the number of terminations for the year (survey period).

Line 616 - Report the number of all other consumer related staff at the beginning of the year, the number of staff at the end of the year and the number of terminations for the year (survey period).

Line 617 - Report the number of any other staff at the beginning of the year, the number of staff at the end of the year and the number of terminations for the year (survey period).



Appendix D: Staffing Hours Survey

Background

Staffing ratios determined by the number of direct care staff hours provided to HCBS-I/DD waiver participants were a central component of the original study that established rates for the waiver. This data was used to establish varying rates for different levels of need referred to as tiers within the waiver program. Five tiers were established with tier 1 representing the highest level of need and tier 5 the lowest. A survey was completed to gather data on the average number of direct care staff hours provided to participants and rates were established to proportionally reflect the increasing needs of residents along the continuum of care between tier 5 and tier 1.

The tables below show the ratios that were established based on this initial work. The table for Day Services lists the portion of an hour that a direct staff person would be expected to spend assisting a participant during any given hour of the day. The table for residential services presents the number of hours a staff person would be expected to spend assisting a participant during any given day. Thus the day services ratio are staff time per hour and the residential services ratios are staff time per day.

Day Service Historical Staffing Ratios

Tier Level 1	Tier Level 2	Tier Level 3	Tier Level 4	Tier Level 5
0.40	0.29	0.22	0.15	0.13

Residential Services Historical Staffing Ratios

Tier Level 1	Tier Level 2	Tier Level 3	Tier Level 4	Tier Level 5
5.14	4.11	2.94	1.87	1.29

Subsequent rate studies also relied on the initial staffing survey findings to determine rates for each waiver tier. Each study gathered cost data and the staffing ratios from the original survey were then applied to the average hourly cost to produce tier-specific rates. Concern emerged over time about the ongoing validity of the original staffing ratios. Therefore, Myers and Stauffer proposed conducting an updated staffing survey with the 2015 rate study.

2015 Staffing Hours Survey Tool and Methodology

With the guidance of KDADS staff Myers and Stauffer organized an advisory panel of provider representatives to help develop a reporting form and process to gather updated staffing data as part of the 2015 rate study. Individuals participating in the advisory panel are listed in Appendix A. The panel members met via conference calls to discuss the staffing survey objectives and options for collecting data. With the guidance of the panel Myers and Stauffer developed two different reports intended to gather staffing data; one was designed for residential service providers and one was intended for day service providers.

The forms were designed to gather staffing information for each hour of the day for a one-week period. Providers were asked to complete the form by service setting and to report all staff time



provided in that setting during a one-week period in late September or early October. Providers were allowed to choose the date they would start their report but were asked to report for the next seven consecutive days after the start date. Providers were not expected to report for all locations and service settings in which they operate but were asked to report for all staff and participants at the settings they selected.

The reports captured the number of direct care staff on duty each hour of the day. Providers were directed to use decimal values to report staff that only worked part of an hour. For example, if during the 8:00 AM to 9:00 AM hour there were two staff on duty at a particular location but one of the staff members only worked from 8:00 AM to 8:30 AM while the other worked the full hour, the report preparer included 1.5 for the number of staff on duty. By capturing the number of staff on duty in this manner, the report recorded the number of direct staff hours that were provided each hour of the day.

Report preparers were asked to divide the number of direct staff hours provided each hour between the participants served during that hour. Preparers were directed to divide the hours equally between participants when there was no clear indication that staff time was not focused more heavily on a specific client or clients. For example, if one staff was on duty for the full hour between 8:00 AM and 9:00 AM and another was on duty for one half hour, there would be 1.50 hours of direct care staff time to divide between participants. If there were three participants that received equal attention from the staff, the time would be split evenly between the residents and each client would receive 0.50 hours (1.50 hours/3 participants).

When it was clear that more time was spent with a specific participant or participants the preparers were directed to report that time specifically and divide the remaining time available for each hour equally between the other participants. In the previous example if staff could determine that a full hour of staff time was directed to one individual there would have been 0.50 hours remaining to divide between the other two participants and each would have received 0.25 hours.

By gathering participant-specific information for each hour of the day Myers and Stauffer was able to determine the direct care staffing hours that were provided to each participant each day during the reporting period. Accumulating these daily totals allowed for the determination of total direct care hours and average daily hours provided to each participant. Preparers were also asked to record the tier level for each participant so that averages of the daily hours of care could also be calculated for each tier.

Data Gathered from the 2015 Survey

The tables below present the direct staffing data reported through the staffing survey.



<i>Day Services Regular Tiers</i>										
Tier	Participants	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Total	Hrs/Day
Tier 0	16	0.82	1.03	1.05	1.35	1.01	0.00	0.00	4.56	1.05
Tier 1	103	2.44	2.36	2.37	2.32	2.31	0.00	0.00	11.62	2.36
Tier 2	134	2.04	2.03	1.98	1.97	2.04	0.00	0.00	9.29	2.01
Tier 3	141	1.73	1.73	1.79	1.73	1.81	0.00	0.00	8.22	1.76
Tier 4	73	1.56	1.52	1.60	1.60	1.71	0.00	0.00	7.36	1.60
Tier 5	45	1.77	1.90	1.69	1.68	1.65	0.00	0.00	8.41	1.74
Average Reg	512									1.90

<i>Day Services Extraordinary Funding</i>										
Tier	Participants	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Total	Hrs/Day
Tier 1 EF	5	5.25	5.07	5.07	5.07	5.07	0.00	0.00	25.53	5.11
Tier 2 EF	4	5.58	5.56	5.56	5.56	5.58	0.00	0.00	27.84	5.57
Tier 3 EF	1	2.00	2.00	2.00	2.00	2.07	0.00	0.00	10.07	2.01
Tier 4 EF	2	8.75	8.75	8.75	8.75	7.00	0.00	0.00	42.00	8.40
Average EF	12									5.55

<i>Residential Services Regular Tiers</i>										
Tier	Participants	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Total	Hrs/Day
Tier 0	5	2.26	3.17	3.17	3.17	2.36	4.03	4.00	22.17	3.17
Tier 1	139	5.92	5.75	5.99	5.60	5.67	7.66	7.73	44.24	6.32
Tier 2	97	4.40	4.36	4.45	4.30	4.32	5.49	5.87	33.13	4.73
Tier 3	98	3.53	3.61	3.51	3.63	3.42	4.35	4.74	26.79	3.83
Tier 4	53	3.09	3.18	3.36	3.14	2.94	3.46	3.92	24.77	3.54
Tier 5	20	2.50	2.84	3.07	2.77	2.46	3.05	3.12	19.82	2.83
Average Reg	412									4.79

<i>Residential Services Extraordinary Funding</i>										
Tier	Participants	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Total	Hrs/Day
Tier 1 EF	12	8.44	7.04	6.84	7.14	6.84	9.30	9.23	45.70	6.53
Tier 2 EF	2	7.31	7.31	7.31	8.34	7.31	9.57	10.08	57.23	8.18
Tier 3 EF	1	5.20	5.60	5.20	5.60	5.20	6.90	6.50	40.20	5.74
Tier 4 EF	1	13.25	8.50	8.50	8.50	8.75	13.50	16.00	77.00	11.00
Tier 5 EF	1	0.00	3.00	5.00	2.00	4.00	3.00	0.00	17.00	2.43
Average EF	17									6.70

Updated Staffing Ratios

The tables below present the updated staffing ratios that were derived from the staffing hours survey. The table for Day Services lists the portion of an hour that a direct staff person would be expected to spend assisting a participant during any given hour of the day. These ratios were determined by dividing the average hours per day shown on the staffing data tables by eight hours. The table for residential services presents the number of hours a staff person would be expected to spend assisting a participant during any given day. This was taken directly from the staffing data tables. As with the historical ratios presented above the day services ratios are staff time per hour and the residential services ratios are staff time per day.



Day Service Updated Staffing Ratios

Tier Level 1	Tier Level 2	Tier Level 3	Tier Level 4	Tier Level 5
0.29	0.25	0.22	0.20	0.22

Residential Services Updated Staffing Ratios

Tier Level 1	Tier Level 2	Tier Level 3	Tier Level 4	Tier Level 5
6.32	4.73	3.83	3.54	2.83

Future Recommendations

Although the staffing survey did provide valuable data, the survey was not conducted in a manner that would allow statistically significant conclusions. The providers were not required to participate in the survey and therefore those that did participate did so voluntarily. Only a portion of the providers (59) chose to submit cost data and of those, even fewer (31) submitted staffing surveys. To improve the accuracy of a future staffing survey it is recommended that the staffing survey be required for either all providers or that providers be selected randomly using a sample size large enough for statistically significant results.



Appendix E: Direct Hours Staffing Survey Forms



**Kansas DD Rate Study
Staffing Survey - Residential Services
Cover Sheet**

Location Title:

Location Sub-Title:

Location Address:

Location City:

Type of Setting:

Description:

Residents:

Attention: This survey is related to the DD Rate Study that you participated in. It asks you to submit staffing information including **Protected Health Information (PHI)**. Please follow the submission instructions carefully to ensure that all **PHI** is handled appropriately.



Overview

This workbook is intended to capture resident specific staffing information for the I/DD waiver program. Use this workbook for **RESIDENTIAL SERVICES STAFFING ONLY**.

General Instructions

- 1) Complete the highlighted cells on each worksheet including the cover sheet following the descriptions provided.
- 2) Complete the staffing worksheets for all the days of a particular week. You may start with any day but continue with consecutive days until you've completed a week's worth of data.

Specific Instructions - Cover Sheet

Location Title:	Enter the name of the residential facility you are reporting data for.
Location Sub-Title:	Enter the name of any sub-unit that you are reporting for if applicable.
Location Address:	Enter the street address of the facility you are reporting for.
Location City:	Enter the city in which the facility is located.
Type of Setting:	Select the best description from the drop down menu provided. If you select "Other", then include a description of the setting in cell C15.
Residents:	Enter the number of residents residing at the facility.

Specific Instructions - Staffing Worksheets

Staff on Duty	For each hour of the day indicate the number of staff that were on duty. For staff that only worked part of that particular day include the appropriate decimal value. For example if one staff person worked from 12:00 AM to 12:30 AM include 0.5 for them in Staff on Duty total.
Staff Hours	This value will calculate automatically based on the number of staff reported on duty for each hour. It will match the Staff on Duty total for each hour since the worksheet is set up on an hourly basis. This total indicates the total number of hours that must be allocated between all the residents that were present for all or part of the hour in question.
Resident 1-10 Names	Enter the First and Last name of the individuals that residing in the facility during the day for which you are reporting.
Staff Hours Distribution	In the yellow highlighted cells below the resident names, indicate the amount of time spent with each resident each hour. If the time spent with the residents was divided relatively equally between the residents then the time should be divided equally between the residents (see the line for 12:00 AM on the Example worksheet). This would include time when there is little or no interaction between staff and residents such as when residents are sleeping.



When there are times that staff are clearly working mostly with one or a few specific residents estimate the portion of the hour spent directly with those residents and allocate remaining time evenly between the residents that needed less interaction (see the line for 7:00 AM on the Example worksheet).

For any hour the resident is present make sure some portion of the Staff Hours is allocated to them. If the resident is not present during a given hour report 0.0 hours (see the line for 8:00 AM on the Example worksheet).

Time spent with a resident could also exceed one hour if more than one staff are working with them (see the line for 9:00 PM under Jen Smith).

You can also use formulas to allocate time equally between residents (see the lines for 5:00 PM and 6:00 PM for examples).

Total This value will calculate automatically by summing the hours you've allocated to each resident. This total should match the Staff Hours for each hour of the day. If it does not you have either over-allocated time or under-allocated time.

Time Check This column will indicate when the Staff Hours (column C) does not match the Total hours distributed between the residents (column N). If those two values are not equal then "ERROR" will appear in column M. For example, the line for 4:00 PM on the Example worksheet includes an overallocation of time. To correct such an error, adjust your allocated time until the values in column C and column N are equal. By doing so the value in Column M will change to "OK".

Submission Instructions

This survey contains **Protected Health Information (PHI)** and must be submitted securely.

You have three options for submitting the survey.

- 1) You can submit the survey to kscost@mslc.com using your own secure email system.
- 2) You can save the completed survey to a CD and mail it to the address below.

Myers and Stauffer LC
1131 SW Winding Rd
Topeka, KS 66615

- 3) You can contact Myers and Stauffer to set up a secure email account.

Email: kscost@mslc.com
Phone: 800-255-2309



APPENDIX E: STAFFING SURVEY FORMS

Rate Structure Review
April 22, 2016

**Kansas DD Rate Study
Staffing Survey**

Hour	Staff on Duty	Staff Hours	Staff hours distribution between residents										Totals by Hour	Time Check		
			Resident 1	Resident 2	Resident 3	Resident 4	Resident 5	Resident 6	Resident 7	Resident 8	Resident 9	Resident 10				
			John Doe Tier	Jane Doe Tier	Joe Smith Tier	Jan Green Tier	Name Tier	Name Tier	Name Tier	Name Tier	Name Tier	Name Tier				
12:00 AM	1.00	1.00	0.25	0.25	0.25	0.25									1.00	OK
01:00 AM	1.00	1.00	0.25	0.25	0.25	0.25									1.00	OK
02:00 AM	1.00	1.00	0.25	0.25	0.25	0.25									1.00	OK
03:00 AM	1.00	1.00	0.25	0.25	0.25	0.25									1.00	OK
04:00 AM	1.00	1.00	0.25	0.25	0.25	0.25									1.00	OK
05:00 AM	1.00	1.00	0.25	0.25	0.25	0.25									1.00	OK
06:00 AM	1.00	1.00	0.25	0.25	0.25	0.25									1.00	OK
07:00 AM	2.00	2.00	0.75	0.75	0.25	0.25									2.00	OK
08:00 AM	2.00	2.00	0.00	0.00	1.00	1.00									2.00	OK
09:00 AM	3.00	0.00	0.00	0.00	0.00	0.00									0.00	OK
10:00 AM	3.00	0.00	0.00	0.00	0.00	0.00									0.00	OK
11:00 AM	3.00	0.00	0.00	0.00	0.00	0.00									0.00	OK
12:00 PM	0.00	0.00	0.00	0.00	0.00	0.00									0.00	OK
01:00 PM	0.00	0.00	0.00	0.00	0.00	0.00									0.00	OK
02:00 PM	3.00	0.00	0.00	0.00	0.00	0.00									0.00	OK
03:00 PM	1.00	1.00	0.50	0.50	0.00	0.00									1.00	OK
04:00 PM	1.00	1.00	0.25	0.25	0.25	0.50									1.25	Error
05:00 PM	1.00	1.00	0.25	0.25	0.25	0.25									1.00	OK
06:00 PM	2.00	2.00	0.50	0.50	0.50	0.50									2.00	OK
07:00 PM	2.00	2.00	1.00	0.33	0.33	0.33									2.00	OK
08:00 PM	2.00	2.00	0.25	0.75	0.75	0.25									2.00	OK
09:00 PM	2.00	2.00	0.25	0.25	0.25	1.25									2.00	OK
10:00 PM	1.00	1.00	0.25	0.25	0.25	0.25									1.00	OK
11:00 PM	1.00	1.00	0.25	0.25	0.25	0.25									1.00	OK
Daily Totals		24.00	0.00	5.03	5.03	0.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24.25	Error	

Instructions:

- 1) Complete one worksheet for each day of the survey week.
- 2) Complete the Staff on Duty column by entering the number of staff on duty for each hour of the day.
- 3) Complete the Staff Hours Distribution rows by entering the estimated staff time spent with each resident in the appropriate cell across from each hour. The Total by Hour for each row should equal the Staff Hours in each row.



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Rate Structure Review
April 22, 2016

**Kansas DD Rate Study
Staffing Survey**

Hour	Staff on Duty	Staff Hours	Staff hours distribution between residents										Totals by Hour	Time Check	
			Resident 1	Resident 2	Resident 3	Resident 4	Resident 5	Resident 6	Resident 7	Resident 8	Resident 9	Resident 10			
			Name	Name	Name	Name	Name	Name	Name	Name	Name	Name			
12:00 AM		0.00												0.00	OK
01:00 AM		0.00												0.00	OK
02:00 AM		0.00												0.00	OK
03:00 AM		0.00												0.00	OK
04:00 AM		0.00												0.00	OK
05:00 AM		0.00												0.00	OK
06:00 AM		0.00												0.00	OK
07:00 AM		0.00												0.00	OK
08:00 AM		0.00												0.00	OK
09:00 AM		0.00												0.00	OK
10:00 AM		0.00												0.00	OK
11:00 AM		0.00												0.00	OK
12:00 PM		0.00												0.00	OK
01:00 PM		0.00												0.00	OK
02:00 PM		0.00												0.00	OK
03:00 PM		0.00												0.00	OK
04:00 PM		0.00												0.00	OK
05:00 PM		0.00												0.00	OK
06:00 PM		0.00												0.00	OK
07:00 PM		0.00												0.00	OK
08:00 PM		0.00												0.00	OK
09:00 PM		0.00												0.00	OK
10:00 PM		0.00												0.00	OK
11:00 PM		0.00												0.00	OK
Daily Totals		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	OK

Instructions:

- 1) Complete one worksheet for each day of the survey week.
- 2) Complete the Staff on Duty column by entering the number of staff on duty for each hour of the day.
- 3) Complete the Staff Hours Distribution rows by entering the estimated staff time spent with each resident in the appropriate cell across from each hour. The Total by Hour for each row should equal the Staff Hours in each row.



APPENDIX E: STAFFING SURVEY FORMS

Rate Structure Review
April 22, 2016

**Kansas DD Rate Study
Staffing Survey**

Staff hours distribution between residents

Hour	Staff on Duty	Staff Hours	Resident										Totals by Hour	Time Check
			1	2	3	4	5	6	7	8	9	10		
			Name	Name	Name	Name	Name	Name	Name	Name	Name	Name		
			Tier	Tier	Tier	Tier	Tier	Tier	Tier	Tier	Tier	Tier		
12:00 AM		0.00											0.00	OK
01:00 AM		0.00											0.00	OK
02:00 AM		0.00											0.00	OK
03:00 AM		0.00											0.00	OK
04:00 AM		0.00											0.00	OK
05:00 AM		0.00											0.00	OK
06:00 AM		0.00											0.00	OK
07:00 AM		0.00											0.00	OK
08:00 AM		0.00											0.00	OK
09:00 AM		0.00											0.00	OK
10:00 AM		0.00											0.00	OK
11:00 AM		0.00											0.00	OK
12:00 PM		0.00											0.00	OK
01:00 PM		0.00											0.00	OK
02:00 PM		0.00											0.00	OK
03:00 PM		0.00											0.00	OK
04:00 PM		0.00											0.00	OK
05:00 PM		0.00											0.00	OK
06:00 PM		0.00											0.00	OK
07:00 PM		0.00											0.00	OK
08:00 PM		0.00											0.00	OK
09:00 PM		0.00											0.00	OK
10:00 PM		0.00											0.00	OK
11:00 PM		0.00											0.00	OK
Daily Totals		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	OK

Instructions:

- 1) Complete one worksheet for each day of the survey week.
- 2) Complete the Staff on Duty column by entering the number of staff on duty for each hour of the day.
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Rate Structure Review
April 22, 2016

Kansas DD Rate Study Staffing Survey

Staff hours distribution between residents

Hour	Staff on Duty	Staff Hours	Resident										Totals by Hour	Time Check	
			1	2	3	4	5	6	7	8	9	10			
			Name	Name	Name	Name	Name	Name	Name	Name	Name	Name			
			Tier	Tier	Tier	Tier	Tier	Tier	Tier	Tier	Tier	Tier			
12:00 AM		0.00											0.00	OK	
01:00 AM		0.00											0.00	OK	
02:00 AM		0.00											0.00	OK	
03:00 AM		0.00											0.00	OK	
04:00 AM		0.00											0.00	OK	
05:00 AM		0.00											0.00	OK	
06:00 AM		0.00											0.00	OK	
07:00 AM		0.00											0.00	OK	
08:00 AM		0.00											0.00	OK	
09:00 AM		0.00											0.00	OK	
10:00 AM		0.00											0.00	OK	
11:00 AM		0.00											0.00	OK	
12:00 PM		0.00											0.00	OK	
01:00 PM		0.00											0.00	OK	
02:00 PM		0.00											0.00	OK	
03:00 PM		0.00											0.00	OK	
04:00 PM		0.00											0.00	OK	
05:00 PM		0.00											0.00	OK	
06:00 PM		0.00											0.00	OK	
07:00 PM		0.00											0.00	OK	
08:00 PM		0.00											0.00	OK	
09:00 PM		0.00											0.00	OK	
10:00 PM		0.00											0.00	OK	
11:00 PM		0.00											0.00	OK	
Daily Totals		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	OK

Instructions:

- 1) Complete one worksheet for each day of the survey week.
- 2) Complete the Staff on Duty column by entering the number of staff on duty for each hour of the day.
- 3) Complete the Staff Hours Distribution rows by entering the estimated staff time spent with each resident in the appropriate cell across from each hour. The Total by Hour for each row should equal the Staff Hours in each row.



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Rate Structure Review
April 22, 2016

Kansas DD Rate Study Staffing Survey

Staff hours distribution between residents

Hour	Staff on Duty	Staff Hours	Resident										Totals by Hour	Time Check
			1	2	3	4	5	6	7	8	9	10		
			Name	Name	Name	Name	Name	Name	Name	Name	Name	Name		
			Tier	Tier	Tier	Tier	Tier	Tier	Tier	Tier	Tier	Tier		
12:00 AM		0.00											0.00	OK
01:00 AM		0.00											0.00	OK
02:00 AM		0.00											0.00	OK
03:00 AM		0.00											0.00	OK
04:00 AM		0.00											0.00	OK
05:00 AM		0.00											0.00	OK
06:00 AM		0.00											0.00	OK
07:00 AM		0.00											0.00	OK
08:00 AM		0.00											0.00	OK
09:00 AM		0.00											0.00	OK
10:00 AM		0.00											0.00	OK
11:00 AM		0.00											0.00	OK
12:00 PM		0.00											0.00	OK
01:00 PM		0.00											0.00	OK
02:00 PM		0.00											0.00	OK
03:00 PM		0.00											0.00	OK
04:00 PM		0.00											0.00	OK
05:00 PM		0.00											0.00	OK
06:00 PM		0.00											0.00	OK
07:00 PM		0.00											0.00	OK
08:00 PM		0.00											0.00	OK
09:00 PM		0.00											0.00	OK
10:00 PM		0.00											0.00	OK
11:00 PM		0.00											0.00	OK
Daily Totals		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	OK

Instructions:

- 1) Complete one worksheet for each day of the survey week.
- 2) Complete the Staff on Duty column by entering the number of staff on duty for each hour of the day.
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Rate Structure Review
April 22, 2016

Kansas DD Rate Study Staffing Survey

Staff hours distribution between residents

Hour	Staff on Duty	Staff Hours	Resident										Totals by Hour	Time Check
			1	2	3	4	5	6	7	8	9	10		
			Name	Name	Name	Name	Name	Name	Name	Name	Name	Name		
			Tier	Tier	Tier	Tier	Tier	Tier	Tier	Tier	Tier	Tier		
12:00 AM		0.00											0.00	OK
01:00 AM		0.00											0.00	OK
02:00 AM		0.00											0.00	OK
03:00 AM		0.00											0.00	OK
04:00 AM		0.00											0.00	OK
05:00 AM		0.00											0.00	OK
06:00 AM		0.00											0.00	OK
07:00 AM		0.00											0.00	OK
08:00 AM		0.00											0.00	OK
09:00 AM		0.00											0.00	OK
10:00 AM		0.00											0.00	OK
11:00 AM		0.00											0.00	OK
12:00 PM		0.00											0.00	OK
01:00 PM		0.00											0.00	OK
02:00 PM		0.00											0.00	OK
03:00 PM		0.00											0.00	OK
04:00 PM		0.00											0.00	OK
05:00 PM		0.00											0.00	OK
06:00 PM		0.00											0.00	OK
07:00 PM		0.00											0.00	OK
08:00 PM		0.00											0.00	OK
09:00 PM		0.00											0.00	OK
10:00 PM		0.00											0.00	OK
11:00 PM		0.00											0.00	OK
Daily Totals		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	OK

- Instructions:**
- 1) Complete one worksheet for each day of the survey week.
 - 2) Complete the Staff on Duty column by entering the number of staff on duty for each hour of the day.
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Rate Structure Review
April 22, 2016

**Kansas DD Rate Study
Staffing Survey**

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			Resident 1	Resident 2	Resident 3	Resident 4	Resident 5	Resident 6	Resident 7	Resident 8	Resident 9	Resident 10			
			Name	Name	Name	Name	Name	Name	Name	Name	Name	Name			
12:00 AM		0.00												0.00	OK
01:00 AM		0.00												0.00	OK
02:00 AM		0.00												0.00	OK
03:00 AM		0.00												0.00	OK
04:00 AM		0.00												0.00	OK
05:00 AM		0.00												0.00	OK
06:00 AM		0.00												0.00	OK
07:00 AM		0.00												0.00	OK
08:00 AM		0.00												0.00	OK
09:00 AM		0.00												0.00	OK
10:00 AM		0.00												0.00	OK
11:00 AM		0.00												0.00	OK
12:00 PM		0.00												0.00	OK
01:00 PM		0.00												0.00	OK
02:00 PM		0.00												0.00	OK
03:00 PM		0.00												0.00	OK
04:00 PM		0.00												0.00	OK
05:00 PM		0.00												0.00	OK
06:00 PM		0.00												0.00	OK
07:00 PM		0.00												0.00	OK
08:00 PM		0.00												0.00	OK
09:00 PM		0.00												0.00	OK
10:00 PM		0.00												0.00	OK
11:00 PM		0.00												0.00	OK
Daily Totals		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	OK

Instructions:

- 1) Complete one worksheet for each day of the survey week.
- 2) Complete the Staff on Duty column by entering the number of staff on duty for each hour of the day.
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Hour	Staff on Duty	Staff Hours	Staff hours distribution between residents										Totals by Hour	Time Check	
			Resident 1	Resident 2	Resident 3	Resident 4	Resident 5	Resident 6	Resident 7	Resident 8	Resident 9	Resident 10			
			Name	Name	Name	Name	Name	Name	Name	Name	Name	Name			
12:00 AM		0.00												0.00	OK
01:00 AM		0.00												0.00	OK
02:00 AM		0.00												0.00	OK
03:00 AM		0.00												0.00	OK
04:00 AM		0.00												0.00	OK
05:00 AM		0.00												0.00	OK
06:00 AM		0.00												0.00	OK
07:00 AM		0.00												0.00	OK
08:00 AM		0.00												0.00	OK
09:00 AM		0.00												0.00	OK
10:00 AM		0.00												0.00	OK
11:00 AM		0.00												0.00	OK
12:00 PM		0.00												0.00	OK
01:00 PM		0.00												0.00	OK
02:00 PM		0.00												0.00	OK
03:00 PM		0.00												0.00	OK
04:00 PM		0.00												0.00	OK
05:00 PM		0.00												0.00	OK
06:00 PM		0.00												0.00	OK
07:00 PM		0.00												0.00	OK
08:00 PM		0.00												0.00	OK
09:00 PM		0.00												0.00	OK
10:00 PM		0.00												0.00	OK
11:00 PM		0.00												0.00	OK
Daily Totals		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	OK

Instructions:

- 1) Complete one worksheet for each day of the survey week.
- 2) Complete the Staff on Duty column by entering the number of staff on duty for each hour of the day.
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Appendix F: Rate Setting Parameters

Provider-Independent Rates

Rates that are not based on a particular provider's costs are *provider-independent rates*. Both flat rate and pricing systems are provider-independent rates. In these systems, providers are reimbursed according to a set flat rate or an established price regardless of their individual cost experience.

Flat rate systems were fairly common in the early years of the Medicaid program. In this type of system, reimbursement rates are established by determining available dollars within the state budget for a particular service and dividing by a projection of case load or anticipated units of service.

Prices may be established in a variety of ways. Prices may be developed through the creation of a hypothetical provider and determining necessary inputs and market prices for those inputs. Prices can also be developed based on benchmarks, such as means, medians or percentiles of the cost experience of the provider group.

Provider-Dependent Rates

A common feature of a *provider-dependent* rate system is that the reimbursement to each provider is linked in some way to its particular costs, whether projected or historical. There is considerable variability in the design of provider-dependent rates. Provider-dependent rates can either be retrospective or prospective in nature.

Retrospective systems establish an interim rate, using cost estimates, which will be used to make payments during the rate period. After the rate period ends and actual cost experience is determined, there is an adjustment made from interim rates to actual cost experience. Given the need to settle to actual cost, it is important to closely estimate the actual cost experience in order to minimize the settlement amount. Interim rates can be established using either budget projections or historical costs of a prior period. In recent years, there has been a trend by both state and federal governments to move away from retrospective reimbursement systems.

Prospective systems typically use past costs trended forward to establish reimbursement rates. Budget projections or some combination of budgeted and historical costs can also be used. Whatever the basis for establishing rates, they are not settled to actual costs at the end of the rate period.

The rates for most of these systems are based on cost reports submitted by the providers. The rate calculation uses allowable costs, as defined by the state, frequently divided into cost centers or cost components. Examples of typical cost centers include direct service costs, indirect costs and general and administrative costs.

Inflation and Rebasing

Once set, rates are normally in place for a specified period of time. Following this pre-determined payment period, rates should be evaluated and potentially adjusted for inflation. Without rate



increases to account for the impact of inflation, providers would need to reduce costs by the amount of inflation in order to maintain an even status. Some of the more widely used indices to determine the inflation adjustment include the Consumer Price Index or various “market basket” indices designed to measure changes in prices paid for a fixed bundle of goods and services that are cost inputs to a given segment of the health care industry.

Not only are there inflationary increases that impact the cost of providing services, but also methods of service delivery may change. It is important to periodically evaluate the reasonableness of rates and rebase rates as indicated. Several states have established a set rebasing schedule for specific services, such as annually or every three years. Other states have set the maximum amount of time that can pass before rates are rebased, such as no less often than once every five years.