
Oregon Adult Mental Health Residential Rate Standardization Project

Report to Emergency Board Subcommittee on Human Services December 12, 2018

Director Patrick Allen



Project Overview

- History of individually negotiated rates with little to no connection to resident acuity
- Has not maximized the Medicaid federal match
- OHA engaged Optumas and its subcontractor JVGA to gather data to generate a fair, defensible rate methodology

Base data used to calculate rates

- General ledger data
 - Expense accounting data provided by residential facilities and programs
- Based upon OHA and provider feedback, Optumas categorized expenses into included and excluded costs (listed at right).
- Bureau of Labor Statistics (BLS) wage data



Included:

- Employee-related expenditures
- Training
- Program support
- Program-related facility costs
- Transportation
- General administrative costs

Excluded:

- Client room and board
- Mental health rehabilitation services
- Administrative costs above 10%
- Vacancy rate capped at 5%

Bureau of Labor Statistics (BLS) Wage Data Example

BLS Wage Code	Title	OR Statewide Wage
31-1011	Home Health Aide	\$12.45
39-9099	Personal Care & Service Worker, All Others	\$16.51

BRICK™ Calculation

- Two primary types of hour in the adult residential setting to be calculated:
 - Active Engagement Hours - the explicit staff work to support the instrumental activities of daily living
 - Supervision Hours - overseeing activities of the patient's personal care throughout the day
- Optumas/JVGA created a brick (value of an hour) for each of these types of staff work.

Geographic Variation

- Geographic Variation based on the Minimum Wage Regions
- The value of the hour varies by the implied percentage difference in the minimum wage for the three regions (Standard, Portland Metro and Nonurban Counties).

Budget Impact Modeling and Incomplete Data

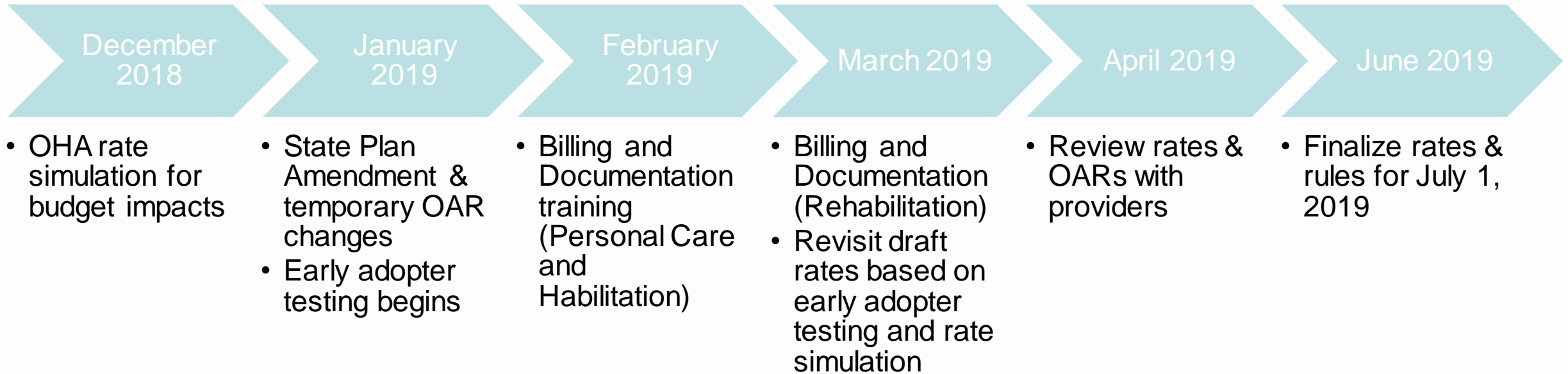
- Client Acuity Assessments Incomplete
- Independent Assessment Requirement
- Medical Add-On

Interim Rate Review

- 10 Early Adopters
- November 2018 Meetings with Providers and Counties
- December 5 Rate Methodology Presentation to All Providers

Systemwide Implementation Planning

- Individual Provider modeling and budget estimate
- Draft State Plan Amendment & Draft temporary OARs
- General Fund County Payments
- Provider Training



Questions?

- Webpage
 - <http://www.oregon.gov/oha/HSD/OHP/Pages/MH-Rates.aspx>