



BURNS & ASSOCIATES
A DIVISION OF
HEALTH MANAGEMENT ASSOCIATES

Update on Rate and Wage Study

- prepared for -

**Joint Task Force on
Hospital Discharge Challenges**

June 27, 2024



AGENDA

- Project Background
- Overview of APD Rates
- Wage and Rate Process

PROJECT IMPETUS

- Budget note requires DHS to “conduct a comprehensive rate and wage study across home and community-based service delivery systems” [SB5506]
 - Focus on APD’s and ODDS’s in-home and residential care providers
 - Evaluation of required qualifications, levels of acuity among service recipients, and the costs and benefits of standardizing compensation for direct care workers across programs and service delivery models
 - Written report due by September 2024
- Study will consider direct care compensation as part of overall payment rates
 - Consideration of both wages and benefits
 - Identification of existing differences in compensation policies (overtime, access to benefits, etc.), staff qualifications, and methods for assessing acuity

OVERVIEW OF BURNS & ASSOCIATES

- Health policy consultants specializing in assisting state Medicaid agencies and related departments (developmental disabilities and behavioral health authorities)
 - Consulted in approximately 30 states since its founding in 2006
 - Acquired by Health Management Associates in September 2020
- Experience with home and community-based services
 - Policy development, including service standards and billing rules
 - Provider rate-setting
 - Using assessment instruments to inform individualized budgets
 - Program operations, including performing fiscal analyses and developing implementation approaches
- Working with ODDS since 2015 to develop provider rates and provide other supports

OVERVIEW OF APD RATES

- More than 20 years since there has been a comprehensive review of payment rates for APD services
 - Unable to identify what costs are assumed in payment rates (for example, cannot identify a funded wage level for direct care workers)
 - Rate adjustments based on collective bargaining and legislative direction
- Variable approaches to assessing individual needs and linking to provider payments
 - Different assessment frameworks and rate 'tiers'

OVERVIEW OF APD RATES – ADULT FOSTER HOMES

- May care for up to five individuals
- Base rate of \$2,029 per month pays for one-to-five staffing
 - Base rate may be augmented by up to three ‘add-ons’ for \$369 per month
 - Full assist in mobility, eating, or elimination; behavior that poses a risk to the individual or others; and/or medical treatments that require oversight by a licensed healthcare professional
 - ‘Exceptions’ may be approved to pay for additional staff
- Special needs contracts pay higher rates to support individuals with specified needs
 - Examples: brain injury, cognitive/memory care, behavioral needs, ventilator dependent
 - Monthly rates range from \$3,665 to \$23,647

OVERVIEW OF APD RATES – RESIDENTIAL CARE FACILITIES

- Building or complex with shared or individual living units providing care to six or more individuals
- Base rate of \$2,279 per month
 - Base rate may be augmented by up to three ‘add-ons’ for \$443 per month
 - Full assist in mobility, eating, or elimination; behavior that poses a risk to the individual or others; and/or medical treatments that require oversight by a licensed healthcare professional
 - ‘Exceptions’ may be approved to pay for additional staff
- May have a memory care endorsement with a monthly rate of \$5,977

OVERVIEW OF APD RATES – ASSISTED LIVING FACILITIES

- Building or complex consisting of fully self-contained, individual living units providing care to six or more individuals
- Rates are tiered based on the types of activities an individual needs help with and the level of support needed
 - Five rate levels, with monthly rates ranging from \$1,830 to \$4,298
- May have a memory care endorsement with a monthly rate of \$5,977

OVERVIEW OF APD RATES – RECENT RATE INCREASES

- All services have received substantial rate increases over the past five years, but there have been significant differences across provider types
 - AFH rates have increased about 36 percent over the past five years
 - ALF and RCF rates have increased about 61 percent over the past five years
- Other services that employ similar staff have also received significant rate increase
 - Nursing facility rates have increased about 66 percent over the past five years
 - ODDS rates have increased about 38 percent over the past five years

WAGE AND RATE STUDY PROCESS – BACKGROUND RESEARCH

- Review service standards
 - Goal is to ensure that payment rates reflect service requirements
- Meet with providers and stakeholders
 - Nursing Service workgroups – focus on specific issues related to individual services
 - Advisory group – consider issues that apply across services
 - Provider site visits

WAGE AND RATE STUDY PROCESS – DATA COLLECTION

- Provider survey
 - More than 200 submitted surveys
- Other data sources for wage benchmarks
 - Bureau of Labor Statistics wage data (Oregon-specific)
 - Review Oregon provider job postings
 - Portland State 2022 study (ALF and RCF only)
 - NCI state of the workforce survey (I/DD only)

WAGE AND RATE STUDY PROCESS – PRELIMINARY OBSERVATIONS

- Based on BLS data, wages for direct care workers in Oregon are the second-highest in the country (and are 20 percent higher than the national average)
- Provider survey
 - ODDS providers generally pay higher wages (\$20-\$21 per hour) than APD providers (\$18-\$19 per hour)
 - By service, in-home staff earn the highest wages across programs
 - Relatively few providers reported wage differentials, except for overnight and weekend shifts (e.g., few providers reported paying different wages based on participant acuity)

WAGE AND RATE STUDY PROCESS – DEVELOPING RECOMMENDATIONS

- Wage and benefit assumptions
 - Consider opportunities to standardize across systems, services, and delivery models (and if there are any differences, provide an explanation)
 - Other considerations include geography, participant acuity, and other factors
 - Consider accountability and sustainability
- Payment methodologies and rates
 - Develop transparent rates
 - Document differences across services
 - Similar considerations as for wage and benefit targets
- Will consider stakeholder feedback before finalizing recommendations

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