

CFCM Implementation: Rate Development



October 16, 2023

**RHODE
ISLAND**

Federal Requirements for HCBS Rate Development

1. Payments for waiver services must be consistent with:
 - 1902(a)(30)(A) of the Social Security Act
 - “Payments are consistent with **efficiency, economy, and quality of care** and are sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services are available to the general population in the geographic area”*
 - 42 CFR 447.200 – 205
 - “Plan must describe the policy and the methods used in setting payment rates for each type of service...”*
2. Rate-setting methodology must be reviewed (and updated if appropriate) every 5 years in accordance with the renewal cycle.

CFCM Rate Overview

1. Guidehouse developed a monthly CFCM reimbursement rate of **\$170.87**.
 - a. The CFCM program budget and rate was approved by the General Assembly for SFY 2024.
 - b. This rate accounts for the estimated costs to deliver CFCM.
 - c. Guidehouse's rate calculation is supported by a rate setting method accepted by CMS.

Current v. Future State

Category	Current State	Future State
# of Service Rates	EAD: 3 rates DD: 8 tiered rates	1 rate
Service Description(s)	1. Case Management 2. Targeted Case Management 3. Support Coordination	CFCM
Unit of Measure	15 minutes and monthly	Monthly

CFCM Rate Calculation Details

Center	Input	Input Description	Calculation/Source	CFCM Rate Build
Wages	a	Hourly Wage - Case Manager	BLS wage data for job classification for "Community health worker"	\$28.40
	b	Annual Wage	$a * 2080$	\$59,063.88
	c	Employee Related Expense (ERE) (% of Wages)	Burns I/DD provider rate study assumption. Reflects Burn's ERE model assumptions in general for all I/DD provider wages.	25.9%
	d	Hourly Compensation	$a * (1 + c)$	\$35.76
	e	Annual Compensation	$b * (1 + c)$	\$74,385.05
Supervision	f	Hourly Supervisor Wage	BLS wage data for job classification for "Child, family, and school social worker"	\$34.08
	g	Annual Supervisor Wage	$f * 2080$	\$70,876.65
	h	Supervisor ERE	Burns I/DD provider rate study assumption. Reflects Burn's ERE model assumptions in general for all I/DD provider wages.	23.4%
	i	Hourly Supervisor Compensation	$f * (1 + h)$	\$42.06
	j	Annual Supervisor Compensation	$g * (1 + h)$	\$87,490.14
	k	Supervision Hours per Week	State Assumption	8
	l	Supervisor Span of Control	State Assumption	10.0
	m	Supervision Hours per Staff per Hour	$k / l / 40$	0.02
	n	Supervision Cost per Staff per Hour	$j * m$	\$1,749.80
Admin and Program	o	Annual Total Compensation	$e + n$	\$76,134.85
	p	Administrative Overhead Percent	Pulled from Burn's I/DD provider survey responses. This reflects the average cost for administrative and indirect costs.	10.0%
	q	Administrative Overhead Annual Factor	$o * p$	\$7,613.49
	r	Program Support	Burns I/DD provider rate study assumption. This reflects the average program support costs across all I/DD providers.	15.0%
Transportation	s	Program Support Annual Factor	$o * r$	\$11,420.23
	t	Total Weekly Miles	Assumption	100.00
	u	IRS Mileage Per Week- \$.625	$t * .625$	\$62.50
	v	Annual Mileage Cost	$u * 52$	\$3,250.00
Final Cost	w	Total Annual Cost	$o + q + s + v$	\$98,418.56
	x	Total Monthly Cost	$w / 12$	\$8,201.55
	y	Caseload	Calculation based on service time requirement	48.00
	z	Monthly Rate Per Participant	x / y	\$170.87

Key Considerations

1. A 48-person caseload will cost approximately \$98,000 per year.
2. Guidehouse did not use the State's existing rates given the differences in service requirements and variances in rates.
3. The CFCM rate considered:
 - a. Case manager and supervisor salaries from the U.S. Bureau of Labor Statistics
 - b. A supervisor ratio of 10:1
 - c. A 100 miles a week assumption
 - d. Case manager caseloads of 48
 - e. Administrative and program support costs
 - f. An inflationary factor of 14.27%

Caseload Estimate

Description	Hours Per Task	# of Times in a Year	Total Hours Per Task	Annual Hours Using a 48 Caseload	Weekly Hours (Excludes PTO)
Case Management Services					
Initial person-centered planning meeting (face-to-face)	8	1	8	384	8
Annual person-centered planning meeting (face-to-face)	4	1	4	192	4
Monthly Monitoring (Phone)	2	9	18	864	18
6-Month Monitoring Visit (face-to-face)	4	1	4	192	4
Sub-Total Case Management		12	34	1,632	35
Administrative Hours					
Paid time off (holiday, vacation, and sick leave)				200	
Training				40	1
Other activities (e.g., team meetings, quality assurance, etc.)				208	4
Sub-Total Administrative				448	5
Total				2,080	40

Key Considerations

1. RI EOHHS calculated an average caseload of 48.
2. A **48-participant caseload is a conservative estimate** and does not limit the case management entity from going above or below this estimate.
 - a. Assumes an average HCBS participant receives approximately 34 hours of support in a year. *Note that the required time for a participant in their second consecutive year will be less since they will not require an "initial person-centered planning meeting".*
 - b. Considered time for manual processes.
1. **RI EOHHS does not have a mandated caseload ratio**; however, case management entities must ensure that case managers have a reasonable caseload that allows them adequate time to meet the needs of their participants and to comply with EOHHS rules, regulations, and standards.